

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5182

Chapter 11, Laws of 2011

(partial veto)

62nd Legislature
2011 1st Special Session

OFFICE OF STUDENT FINANCIAL ASSISTANCE

EFFECTIVE DATE: 08/24/11 - Except section 302, which becomes effective 07/01/11; and sections 101-103, 106-202, 204-244 and 301, which become effective 07/1/12.

Passed by the Senate May 22, 2011
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House May 21, 2011
YEAS 59 NAYS 28

FRANK CHOPP

Speaker of the House of Representatives

Approved June 6, 2011, 12:04 p.m., with the exception of Section 246 which is vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5182** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

June 7, 2011

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5182

AS AMENDED BY THE HOUSE

Passed Legislature - 2011 1st Special Session

State of Washington 62nd Legislature 2011 1st Special Session

By Senate Ways & Means (originally sponsored by Senators White, Tom, Hill, Zarelli, Murray, Ericksen, Prentice, Hobbs, and Nelson)

READ FIRST TIME 03/16/11.

1 AN ACT Relating to establishing the office of student financial
2 assistance by eliminating the higher education coordinating board and
3 transferring its functions to various entities; amending RCW
4 28B.76.020, 28B.76.090, 28B.76.120, 28B.76.210, 28B.76.310, 28B.76.500,
5 28B.76.505, 28B.76.510, 28B.76.520, 28B.76.525, 28B.76.540, 28B.76.560,
6 28B.76.565, 28B.76.570, 28B.76.575, 28B.76.605, 28B.76.610, 28B.76.615,
7 28B.76.620, 28B.76.640, 28B.76.645, 28B.76.650, 28B.76.660, 28B.76.670,
8 28B.76.690, 28A.600.120, 28A.600.130, 28A.600.140, 28A.600.150,
9 28A.230.125, 28A.600.285, 28A.630.400, 28A.650.015, 28A.660.050,
10 28B.04.080, 28B.07.020, 28B.07.030, 28B.10.786, 28B.10.790, 28B.10.792,
11 28B.10.840, 28B.12.030, 28B.12.040, 28B.12.050, 28B.12.055, 28B.12.060,
12 28B.12.070, 28B.15.012, 28B.15.013, 28B.15.015, 28B.15.100, 28B.15.543,
13 28B.15.732, 28B.15.752, 28B.15.760, 28B.15.762, 28B.50.272, 28B.92.020,
14 28B.92.040, 28B.92.050, 28B.92.060, 28B.92.084, 28B.92.120, 28B.92.130,
15 28B.92.140, 28B.92.150, 28B.95.020, 28B.95.025, 28B.95.030, 28B.95.040,
16 28B.95.060, 28B.95.160, 28B.97.010, 28B.97.020, 28B.102.020,
17 28B.102.030, 28B.102.040, 28B.102.050, 28B.102.055, 28B.102.060,
18 28B.102.080, 28B.105.020, 28B.105.040, 28B.105.050, 28B.105.070,
19 28B.105.100, 28B.105.110, 28B.106.010, 28B.106.070, 28B.108.010,
20 28B.108.020, 28B.108.030, 28B.108.060, 28B.109.010, 28B.109.020,
21 28B.109.030, 28B.109.040, 28B.109.050, 28B.109.060, 28B.109.070,

1 28B.109.080, 28B.110.040, 28B.115.020, 28B.115.030, 28B.115.050,
2 28B.115.070, 28B.115.080, 28B.115.090, 28B.115.110, 28B.115.120,
3 28B.115.130, 28B.115.140, 28B.116.010, 28B.116.020, 28B.116.030,
4 28B.116.050, 28B.116.060, 28B.116.070, 28B.117.020, 28B.117.030,
5 28B.117.040, 28B.117.050, 28B.117.060, 28B.117.070, 28B.118.010,
6 28B.118.020, 28B.118.040, 28B.118.050, 28B.118.060, 28B.119.010,
7 28B.119.020, 28B.119.030, 28B.119.050, 28B.120.020, 28B.133.030,
8 28B.133.040, 28B.133.050, 28B.135.010, 28B.135.030, 28B.135.040,
9 28C.18.166, and 39.86.130; reenacting and amending RCW 28B.92.030;
10 adding a new chapter to Title 28B RCW; creating new sections; repealing
11 RCW 28B.76.010, 28B.76.030, 28B.76.040, 28B.76.050, 28B.76.060,
12 28B.76.070, 28B.76.080, 28B.76.200, 28B.76.260, 28B.76.280, 28B.76.330,
13 28B.76.530, 28B.10.056, 28B.10.5691, 28B.15.465, 28B.15.736,
14 28B.15.754, 28B.15.758, 28B.76.300, and 28B.76.320; providing effective
15 dates; providing expiration dates; and declaring an emergency.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

17 NEW SECTION. **Sec. 1.** The legislature recognizes that the state's
18 higher education system plays a critical role in assuring Washington's
19 continued leadership role in driving economic prosperity, innovation,
20 and opportunity. By educating citizens for living wage jobs, producing
21 world-class research, and helping to create vibrant communities, the
22 state's institutions of higher education form a foundational component
23 in assuring prosperity for our citizens.

24 The legislature also recognizes the significant contributions made
25 by the higher education coordinating board in coordinating higher
26 education policy and planning, and administering the state's financial
27 aid programs. The board has also recently finished several significant
28 planning efforts that will provide guidance to the legislature and to
29 the institutions in forming priorities and deploying resources.

30 However, the legislature also recognizes the importance of
31 prioritizing scarce resources for the core, front-line services that
32 institutions provide--namely instruction, research, and robust
33 financial aid. During times of economic downturn, policymakers must
34 focus on those areas of public service that have the most direct and
35 immediate impact on students. Keeping class sections open, attracting

1 the best professors and instructors, providing comprehensive support
2 services, and offering meaningful financial help to offset the costs of
3 attending school must be the main concerns of policymakers.

4 It is for these reasons that the legislature intends to create a
5 new office dedicated entirely to the administration of student
6 financial aid programs. By focusing financial and governance resources
7 on direct aid to students, the state can provide the highest level of
8 service in this area. The legislature further intends to eliminate
9 many of the policy and planning functions of the higher education
10 coordinating board and rededicate those resources to the higher
11 education institutions that provide the core, front-line services
12 associated with instruction and research. Given the unprecedented
13 budget crises the state is facing, the state must take the opportunity
14 to build on the recommendations of the board and use the dollars where
15 they can make the most direct impact.

16 **PART I**

17 **OFFICE OF STUDENT FINANCIAL ASSISTANCE**

18 **Sec. 101.** RCW 28B.76.020 and 2010 c 245 s 4 are each amended to
19 read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) (~~("Board" means the higher education coordinating board.)~~)
23 "Council" means the council for higher education.

24 (2) "Four-year institutions" means the University of Washington,
25 Washington State University, Central Washington University, Eastern
26 Washington University, Western Washington University, and The Evergreen
27 State College.

28 (3) "Major expansion" means expansion of the higher education
29 system that requires significant new capital investment, including
30 building new institutions, campuses, branches, or centers or conversion
31 of existing campuses, branches, or centers that would result in a
32 mission change.

33 (4) "Mission change" means a change in the level of degree awarded
34 or institutional type not currently authorized in statute.

35 (5) "Office" means the office of student financial assistance.

1 **Sec. 102.** RCW 28B.76.090 and 2007 c 458 s 102 are each amended to
2 read as follows:

3 (1) The office of student financial assistance is created.

4 (2) The purpose of the office is to administer state and federal
5 financial aid and other education services programs, including the
6 advanced college tuition payment program in chapter 28B.95 RCW, in a
7 cost-effective manner.

8 (3) The ((board)) office shall employ a director ((and may delegate
9 agency management to the director. The director)) who shall serve at
10 the pleasure of the ((board, shall be the executive officer of the
11 board, and shall, under the board's supervision,)) governor and shall
12 administer the provisions of this chapter. The ((executive)) director
13 shall((, with the approval of the board)): ((+1)) (a) Employ
14 necessary deputy and assistant directors and other exempt staff under
15 chapter 41.06 RCW who shall serve at his or her pleasure on such terms
16 and conditions as he or she determines and ((+2)) (b) subject to the
17 provisions of chapter 41.06 RCW, appoint and employ such other
18 employees as may be required for the proper discharge of the functions
19 of the ((board. The executive director shall exercise such additional
20 powers, other than rule making, as may be delegated by the board by
21 resolution. In fulfilling the duties under this chapter, the board
22 shall make extensive use of those state agencies with responsibility
23 for implementing and supporting postsecondary education plans and
24 policies including but not limited to appropriate legislative groups,
25 the postsecondary education institutions, the office of financial
26 management, the workforce training and education coordinating board,
27 the state board for community and technical colleges, and the office of
28 the superintendent of public instruction. Outside consulting and
29 service agencies may also be employed. The board may compensate these
30 groups and consultants in appropriate ways)) office.

31 **Sec. 103.** RCW 28B.76.120 and 1985 c 370 s 8 are each amended to
32 read as follows:

33 The ((board)) office shall have authority to adopt rules as
34 necessary to implement this chapter.

35 **Sec. 104.** RCW 28B.76.210 and 2010 c 245 s 10 are each amended to
36 read as follows:

1 (1) The board shall collaborate with the four-year institutions
2 including the council of presidents, the community and technical
3 college system, and when appropriate the workforce training and
4 education coordinating board, the superintendent of public instruction,
5 and the independent higher educational institutions to identify budget
6 priorities and levels of funding for higher education, including the
7 two and four-year institutions of higher education and state financial
8 aid programs. It is the intent of the legislature that recommendations
9 from the board reflect not merely the sum of budget requests from
10 multiple institutions, but prioritized funding needs for the overall
11 system of higher education.

12 (2) By December of each odd-numbered year, the board shall
13 distribute guidelines which outline the board's fiscal priorities to
14 the institutions and the state board for community and technical
15 colleges.

16 (a) The institutions and the state board for community and
17 technical colleges shall submit an outline of their proposed operating
18 budgets to the board no later than July 1st of each even-numbered year.
19 Pursuant to guidelines developed by the board, operating budget
20 outlines submitted by the institutions and the state board for
21 community and technical colleges after January 1, 2007, shall include
22 all policy changes and enhancements that will be requested by the
23 institutions and the state board for community and technical colleges
24 in their respective biennial budget requests. Operating budget
25 outlines shall include a description of each policy enhancement, the
26 dollar amount requested, and the fund source being requested.

27 (b) Capital budget outlines for the two-year institutions shall be
28 submitted by August 15th of each even-numbered year, and shall include
29 the prioritized ranking of the capital projects being requested, a
30 description of each capital project, and the amount and fund source
31 being requested.

32 (c) Capital budget outlines for the four-year institutions must be
33 submitted by August 15th of each even-numbered year, and must include:
34 The institutions' priority ranking of the project; the capital budget
35 category within which the project will be submitted to the office of
36 financial management in accordance with RCW 43.88D.010; a description
37 of each capital project; and the amount and fund source being
38 requested.

1 (d) The office of financial management shall reference these
2 reporting requirements in its budget instructions.

3 (3) The board shall review and evaluate the operating and capital
4 budget requests from four-year institutions and the community and
5 technical college system based on how the requests align with the
6 board's budget priorities, the missions of the institutions, and the
7 statewide strategic master plan for higher education under RCW
8 28B.76.200.

9 (4) The board shall submit recommendations on the proposed
10 operating budget and priorities to the office of financial management
11 by October 1st of each even-numbered year, and to the legislature by
12 January 1st of each odd-numbered year.

13 (5)(a) The board's capital budget recommendations for the community
14 and technical college system and the four-year institutions must be
15 submitted to the office of financial management and to the legislature
16 by November 15th of each even-numbered year. ~~((The — board's
17 recommendations for the four-year institutions must include a single,
18 prioritized list of the major projects that the board recommends be
19 funded with state bond and building account appropriations during the
20 forthcoming fiscal biennium. — In developing this single prioritized
21 list, the board shall:~~

22 ~~(a) — Seek to identify the combination of projects that will most
23 cost-effectively achieve the state's goals. — These goals include
24 increasing baccalaureate and graduate degree production, particularly
25 in high-demand fields; promoting economic development through research
26 and innovation; providing quality, affordable educational environments;
27 preserving existing assets; and maximizing the efficient utilization of
28 instructional space;~~

29 ~~(b) — Be guided by the objective analysis and scoring of capital
30 budget projects completed by the office of financial management
31 pursuant to chapter 43.88D RCW;~~

32 ~~(c) — Anticipate — (i) — that — state — bond — and — building — account
33 appropriations — continue — at — the — same — level — during — each — of — the — two
34 subsequent — fiscal — biennia — as — has — actually — been — appropriated — for — the
35 baccalaureate — institutions — during — the — current — one; — (ii) — that — major
36 projects — funded — for — design — during — a — biennium — are — funded — for
37 construction during the subsequent one before state appropriations are
38 provided for new major projects; and (iii) that minor health, safety,~~

1 ~~code, and preservation projects are funded at the same average level as~~
2 ~~in recent biennia before state appropriations are provided for new~~
3 ~~major projects.)~~)

4 (b) The board shall develop one prioritized list of capital
5 projects for the legislature to consider that includes all of the
6 projects requested by the four-year institutions of higher education
7 that were scored by the office of financial management pursuant to
8 chapter 43.88D RCW, including projects that were previously scored but
9 not funded. The prioritized list of capital projects shall be based on
10 the following priorities in the following order:

11 (i) Office of financial management scores pursuant to chapter
12 43.88D RCW;

13 (ii) Preserving assets;

14 (iii) Degree production; and

15 (iv) Maximizing efficient use of instructional space.

16 (c) The board shall include all of the capital projects requested
17 by the four-year institutions of higher education, except for the minor
18 works projects, in the prioritized list of capital projects provided to
19 the legislature.

20 (d) The form of the prioritized list for capital projects requested
21 by the four-year institutions of higher education shall be provided as
22 one list, ranked in priority order with the highest priority project
23 ranked number "1" through the lowest priority project numbered last.
24 The ranking for the prioritized list of capital projects may not:

25 (i) Include subpriorities;

26 (ii) Be organized by category;

27 (iii) Assume any state bond or building account biennial funding
28 level to prioritize the list; or

29 (iv) Assume any specific share of projects by institution in the
30 priority list.

31 (6) Institutions and the state board for community and technical
32 colleges shall submit any supplemental budget requests and revisions to
33 the board at the same time they are submitted to the office of
34 financial management. The board shall submit recommendations on the
35 proposed supplemental budget requests to the office of financial
36 management by November 1st and to the legislature by January 1st.

1 **Sec. 105.** RCW 28B.76.310 and 2004 c 275 s 15 are each amended to
2 read as follows:

3 (1) The board, in consultation with the house of representatives
4 and senate committees responsible for higher education, the respective
5 fiscal committees of the house of representatives and senate, the
6 office of financial management, the state board for community and
7 technical colleges, and the state institutions of higher education,
8 shall develop standardized methods and protocols for measuring the
9 undergraduate and graduate educational costs for the state
10 universities, regional universities, and community colleges, including
11 but not limited to the costs of instruction, costs to provide degrees
12 in specific fields, and costs for precollege remediation.

13 (2) ~~((By December 1, 2004, the board must propose a schedule of
14 regular cost study reports intended to meet the information needs of
15 the governor's office and the legislature and the requirements of RCW
16 28B.76.300 and submit the proposed schedule to the higher education and
17 fiscal committees of the house of representatives and the senate for
18 their review.~~

19 ~~(3)~~) The institutions of higher education shall participate in the
20 development of cost study methods and shall provide all necessary data
21 in a timely fashion consistent with the protocols developed.

22 **Sec. 106.** RCW 28B.76.500 and 2009 c 215 s 7 are each amended to
23 read as follows:

24 (1) The ~~((board))~~ office shall administer any state program or
25 state-administered federal program of student financial aid now or
26 hereafter established.

27 (2) Each of the student financial aid programs administered by the
28 ~~((board))~~ office shall be labeled an "opportunity pathway." Loans
29 provided by the federal government and aid granted to students outside
30 of the financial aid package provided through institutions of higher
31 education are not subject to the labeling provisions in this
32 subsection. All communication materials, including, but not limited
33 to, printed materials, presentations, and web content, shall include
34 the "opportunity pathway" label.

35 (3) If the ~~((board))~~ office develops a one-stop college information
36 web-based portal that includes financial, academic, and career planning
37 information, the portal shall display all available student financial

1 aid programs, except federal student loans and aid granted to students
2 outside of the financial aid package provided through institutions of
3 higher education, under the "opportunity pathway" label. The portal
4 shall also display information regarding federal tax credits related to
5 higher education available for students or their families.

6 (4) The labeling requirements in this section do not change the
7 source, eligibility requirements, or student obligations associated
8 with each program. The (~~board~~) office shall customize its
9 communications to differentiate between programs, eligibility
10 requirements, and student obligations, so long as the reporting
11 provisions of this chapter are also fulfilled.

12 **Sec. 107.** RCW 28B.76.505 and 2007 c 73 s 1 are each amended to
13 read as follows:

14 (1) The investment of funds from all scholarship endowment programs
15 administered by the (~~higher-education-coordinating-board~~) office
16 shall be managed by the state investment board.

17 (2) The state investment board has the full power to invest,
18 reinvest, manage, contract, sell, or exchange investment money in
19 scholarship endowment funds. All investment and operating costs
20 associated with the investment of a scholarship endowment fund shall be
21 paid pursuant to RCW 43.33A.160 and 43.84.160. With the exception of
22 these expenses, the earnings from the investments of the fund belong to
23 the fund.

24 (3) Funds from all scholarship endowment programs administered by
25 the board shall be in the custody of the state treasurer.

26 (4) All investments made by the state investment board shall be
27 made with the exercise of that degree of judgment and care pursuant to
28 RCW 43.33A.140 and the investment policies established by the state
29 investment board.

30 (5) As deemed appropriate by the state investment board, money in
31 a scholarship endowment fund may be commingled for investment with
32 other funds subject to investment by the state investment board.

33 (6) The authority to establish all policies relating to scholarship
34 endowment funds, other than the investment policies in subsections (2)
35 through (5) of this section, resides with the (~~higher-education
36 coordinating board~~) office.

1 (7) The (~~higher education coordinating board~~) office may request
2 and accept moneys from the state investment board. With the exception
3 of expenses of the state investment board in subsection (2) of this
4 section, disbursements from the fund shall be made only on the
5 authorization of the (~~higher education coordinating board,~~) office
6 and money in the fund may be spent only for the purposes of the
7 endowment programs as specified in the authorizing chapter of each
8 program.

9 (8) The state investment board shall routinely consult and
10 communicate with the (~~higher education coordinating board~~) office on
11 the investment policy, earnings of the scholarship endowment funds, and
12 related needs of the programs.

13 **Sec. 108.** RCW 28B.76.510 and 1985 c 370 s 21 are each amended to
14 read as follows:

15 The (~~board~~) office shall administer any federal act pertaining to
16 higher education which is not administered by another state agency.

17 **Sec. 109.** RCW 28B.76.520 and 1985 c 370 s 22 are each amended to
18 read as follows:

19 The (~~board~~) office is authorized to receive and expend federal
20 funds and any private gifts or grants, such federal funds or private
21 funds to be expended in accordance with the conditions contingent in
22 such grant thereof.

23 **Sec. 110.** RCW 28B.76.525 and 2005 c 139 s 1 are each amended to
24 read as follows:

25 (1) The state financial aid account is created in the custody of
26 the state treasurer. The primary purpose of the account is to ensure
27 that all appropriations designated for financial aid through statewide
28 student financial aid programs are made available to eligible students.
29 The account shall be a nontreasury account.

30 (2) The (~~higher education coordinating board~~) office shall
31 deposit in the account all money received for the state need grant
32 program established under RCW 28B.92.010, the state work-study program
33 established under chapter 28B.12 RCW, the Washington scholars program
34 established under RCW 28A.600.110, the Washington award for vocational
35 excellence program established under RCW 28C.04.525, and the

1 educational opportunity grant program established under chapter 28B.101
2 RCW. The account shall consist of funds appropriated by the
3 legislature for the programs listed in this subsection and private
4 contributions to the programs. Moneys deposited in the account do not
5 lapse at the close of the fiscal period for which they were
6 appropriated. Both during and after the fiscal period in which moneys
7 were deposited in the account, the ~~((board))~~ office may expend moneys
8 in the account only for the purposes for which they were appropriated,
9 and the expenditures are subject to any other conditions or limitations
10 placed on the appropriations.

11 (3) Expenditures from the account shall be used for scholarships to
12 students eligible for the programs according to program rules and
13 policies.

14 (4) Disbursements from the account are exempt from appropriations
15 and the allotment provisions of chapter 43.88 RCW.

16 (5) Only the ~~((executive))~~ director of the ~~((higher-education
17 coordinating-board))~~ office or the ~~((executive))~~ director's designee
18 may authorize expenditures from the account.

19 **Sec. 111.** RCW 28B.76.540 and 2004 c 275 s 18 are each amended to
20 read as follows:

21 In addition to administrative responsibilities assigned in this
22 chapter, the ~~((board))~~ office shall administer the programs set forth
23 in the following statutes: RCW 28A.600.100 through 28A.600.150
24 (Washington scholars); chapter 28B.85 RCW (degree-granting
25 institutions); chapter 28B.92 RCW (state need grant); chapter 28B.12
26 RCW (work study); RCW 28B.15.543 (tuition waivers for Washington
27 scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans);
28 RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through
29 ~~((28B.15.736))~~ 28B.15.734 (Oregon reciprocity); RCW 28B.15.750
30 ~~((through - 28B.15.754))~~ and 28B.15.752 (Idaho reciprocity); RCW
31 28B.15.756 ~~((and 28B.15.758))~~ (British Columbia reciprocity); chapter
32 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW
33 (future teachers conditional scholarship); chapter 28B.108 RCW
34 (American Indian endowed scholarship); chapter 28B.109 RCW (Washington
35 international exchange scholarship); chapter 28B.115 RCW (health
36 professional conditional scholarship); chapter 28B.119 RCW (Washington

1 promise scholarship); and chapter 28B.133 RCW (gaining independence for
2 students with dependents).

3 **Sec. 112.** RCW 28B.76.560 and 1987 c 8 s 2 are each amended to read
4 as follows:

5 The Washington distinguished professorship trust fund program is
6 established.

7 The program shall be administered by the (~~higher-education~~
8 ~~coordinating board~~) office.

9 The trust fund shall be administered by the state treasurer.

10 **Sec. 113.** RCW 28B.76.565 and 2010 1st sp.s. c 37 s 915 are each
11 amended to read as follows:

12 Funds appropriated by the legislature for the distinguished
13 professorship program shall be deposited in the distinguished
14 professorship trust fund. At the request of the (~~higher-education~~
15 ~~coordinating board~~) office under RCW 28B.76.575, the treasurer shall
16 release the state matching funds to the designated institution's local
17 endowment fund. No appropriation is required for expenditures from the
18 fund. During the 2009-2011 fiscal biennium, the legislature may
19 transfer from the distinguished professorship trust fund to the state
20 general fund such amounts as reflect the excess fund balance in the
21 account.

22 **Sec. 114.** RCW 28B.76.570 and 1987 c 8 s 4 are each amended to read
23 as follows:

24 In consultation with the eligible institutions of higher education,
25 the (~~higher-education-coordinating board~~) office shall set guidelines
26 for the program. These guidelines may include an allocation system
27 based on factors which include but are not limited to: The amount of
28 money available in the trust fund; characteristics of the institutions
29 including the size of the faculty and student body; and the number of
30 professorships previously received.

31 Any allocation system shall be superseded by conditions in any act
32 of the legislature appropriating funds for this program.

33 **Sec. 115.** RCW 28B.76.575 and 1988 c 125 s 3 are each amended to
34 read as follows:

1 All state four-year institutions of higher education shall be
2 eligible for matching trust funds. An institution may apply to the
3 (~~higher education coordinating board~~) office for two hundred fifty
4 thousand dollars from the fund when the institution can match the state
5 funds with an equal amount of pledged or contributed private donations
6 or with funds received through legislative appropriation specifically
7 for the G. Robert Ross distinguished faculty award and designated as
8 being qualified to be matched from trust fund moneys. These donations
9 shall be made specifically to the professorship program, and shall be
10 donated after July 1, 1985.

11 Upon an application by an institution, the (~~board~~) office may
12 designate two hundred fifty thousand dollars from the trust fund for
13 that institution's pledged professorship. If the pledged two hundred
14 fifty thousand dollars is not received within three years, the
15 (~~board~~) office shall make the designated funds available for another
16 pledged professorship.

17 Once the private donation is received by the institution, the
18 (~~higher education coordinating board~~) office shall ask the state
19 treasurer to release the state matching funds to a local endowment fund
20 established by the institution for the professorship.

21 **Sec. 116.** RCW 28B.76.605 and 1987 c 147 s 2 are each amended to
22 read as follows:

23 The Washington graduate fellowship trust fund program is
24 established. The program shall be administered by the (~~higher
25 education coordinating board~~) office. The trust fund shall be
26 administered by the state treasurer.

27 **Sec. 117.** RCW 28B.76.610 and 2010 1st sp.s. c 37 s 916 are each
28 amended to read as follows:

29 Funds appropriated by the legislature for the graduate fellowship
30 program shall be deposited in the graduate fellowship trust fund. At
31 the request of the (~~higher education coordinating board~~) office under
32 RCW 28B.76.620, the treasurer shall release the state matching funds to
33 the designated institution's local endowment fund. No appropriation is
34 required for expenditures from the fund. During the 2009-2011 fiscal
35 biennium, the legislature may transfer from the graduate fellowship

1 trust fund to the state general fund such amounts as reflect the excess
2 fund balance in the account.

3 **Sec. 118.** RCW 28B.76.615 and 1987 c 147 s 4 are each amended to
4 read as follows:

5 In consultation with eligible institutions of higher education, the
6 (~~higher education coordinating board~~) office shall set guidelines for
7 the program. These guidelines may include an allocation system based
8 on factors which include but are not limited to: The amount of money
9 available in the trust fund; characteristics of the institutions
10 including the size of the faculty and student body; and the number of
11 fellowships previously received.

12 Any allocation system shall be superseded by conditions in any
13 legislative act appropriating funds for the program.

14 **Sec. 119.** RCW 28B.76.620 and 1987 c 147 s 5 are each amended to
15 read as follows:

16 (1) All state four-year institutions of higher education shall be
17 eligible for matching trust funds. Institutions may apply to the
18 (~~higher education coordinating board~~) office for twenty-five thousand
19 dollars from the fund when they can match the state funds with equal
20 pledged or contributed private donations. These donations shall be
21 made specifically to the graduate fellowship program, and shall be
22 donated after July 1, 1987.

23 (2) Upon an application by an institution, the (~~board~~) office may
24 designate twenty-five thousand dollars from the trust fund for that
25 institution's pledged graduate fellowship fund. If the pledged twenty-
26 five thousand dollars is not received within two years, the (~~board~~)
27 office shall make the designated funds available for another pledged
28 graduate fellowship fund.

29 (3) Once the private donation is received by the institution, the
30 (~~higher education coordinating board~~) office shall ask the state
31 treasurer to release the state matching funds to a local endowment fund
32 established by the institution for the graduate fellowships.

33 **Sec. 120.** RCW 28B.76.640 and 1985 c 370 s 17 are each amended to
34 read as follows:

35 The (~~board~~) office is hereby specifically directed to develop

1 such state plans as are necessary to coordinate the state of
2 Washington's participation within the student exchange compact programs
3 under the auspices of the Western Interstate Commission for Higher
4 Education, as provided by chapter 28B.70 RCW. In addition to
5 establishing such plans the ((board)) office shall designate the state
6 certifying officer for student programs.

7 **Sec. 121.** RCW 28B.76.645 and 2004 c 275 s 23 are each amended to
8 read as follows:

9 In the development of any such plans as called for within RCW
10 28B.76.640, the ((board)) office shall use at least the following
11 criteria:

12 (1) Students who are eligible to attend compact-authorized programs
13 in other states shall meet the Washington residency requirements of
14 chapter 28B.15 RCW prior to being awarded tuition assistance.

15 (2) For recipients named after January 1, 1995, the tuition
16 assistance shall be in the form of loans that may be completely
17 forgiven in exchange for the student's service within the state of
18 Washington after graduation. The requirements for such service and
19 provisions for loan forgiveness shall be determined in rules adopted by
20 the ((board)) office.

21 (3) If appropriations are insufficient to fund all students
22 qualifying under subsection (1) of this section, then the plans shall
23 include criteria for student selection that would be in the best
24 interest in meeting the state's educational needs, as well as
25 recognizing the financial needs of students.

26 (4) Receipts from the payment of principal or interest or any other
27 subsidies to which the ((board)) office as administrator is entitled,
28 that are paid by or on behalf of participants under this section, shall
29 be deposited with the ((board)) office and placed in an account created
30 in this section and shall be used to cover the costs of granting the
31 scholarships, maintaining necessary records, and making collections.
32 The ((board)) office shall maintain accurate records of these costs,
33 and all receipts beyond those necessary to pay such costs shall be used
34 to grant conditional loans to eligible students.

35 (5) The Washington interstate commission on higher education
36 professional student exchange program trust fund is created in the
37 custody of the state treasurer. All receipts from loan repayment shall

1 be deposited into the fund. Only the (~~higher education coordinating~~
2 ~~board~~) office, or its designee, may authorize expenditures from the
3 fund. No appropriation is required for expenditures from this fund.

4 **Sec. 122.** RCW 28B.76.650 and 1985 c 370 s 19 are each amended to
5 read as follows:

6 The (~~board~~) office shall periodically advise the governor and the
7 legislature of the policy implications of the state of Washington's
8 participation in the Western Interstate Commission for Higher Education
9 student exchange programs as they affect long-range planning for post-
10 secondary education, together with recommendations on the most
11 efficient way to provide high cost or special educational programs to
12 Washington residents.

13 **Sec. 123.** RCW 28B.76.660 and 2005 c 518 s 917 are each amended to
14 read as follows:

15 (1) Recipients of the Washington scholars award or the Washington
16 scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who
17 choose to attend an independent college or university in this state, as
18 defined in subsection (4) of this section, and recipients of the award
19 named after June 30, 1994, who choose to attend a public college or
20 university in the state may receive grants under this section if moneys
21 are available. The (~~higher education coordinating board~~) office
22 shall distribute grants to eligible students under this section from
23 moneys appropriated for this purpose. The individual grants shall not
24 exceed, on a yearly basis, the yearly, full-time, resident,
25 undergraduate tuition and service and activities fees in effect at the
26 state-funded research universities. Grants to recipients attending an
27 independent institution shall be contingent upon the institution
28 matching on at least a dollar-for-dollar basis, either with actual
29 money or by a waiver of fees, the amount of the grant received by the
30 student from the state. The (~~higher education coordinating board~~)
31 office shall establish procedures, by rule, to disburse the awards as
32 direct grants to the students.

33 (2) The (~~higher education coordinating board~~) office shall
34 establish rules that provide for the annual awarding of grants, if
35 moneys are available, to three Washington scholars per legislative
36 district except for fiscal year 2007 when no more than two scholars per

1 district shall be selected; and, if not used by an original recipient,
2 to the Washington scholars-alternate from the same legislative
3 district.

4 Beginning with scholars selected in the year 2000, if the
5 recipients of grants fail to demonstrate in a timely manner that they
6 will enroll in a Washington institution of higher education in the fall
7 term of the academic year following the award of the grant or are
8 deemed by the (~~higher education coordinating board~~) office to have
9 withdrawn from college during the first academic year following the
10 award, then the grant shall be considered relinquished. The (~~higher
11 education coordinating board~~) office may then award any remaining
12 grant amounts to the Washington scholars-alternate from the same
13 legislative district if the grants are awarded within one calendar year
14 of the recipient being named a Washington scholars-alternate.
15 Washington scholars-alternates named as recipients of the grant must
16 also demonstrate in a timely manner that they will enroll in a
17 Washington institution of higher education during the next available
18 term, as determined by the (~~higher education coordinating board~~)
19 office. The (~~board~~) office may accept appeals and grant waivers to
20 the enrollment requirements of this section based on exceptional
21 mitigating circumstances of individual grant recipients.

22 To maintain eligibility for the grants, recipients must maintain a
23 minimum grade point average at the college or university equivalent to
24 3.30. Students shall be eligible to receive a maximum of twelve
25 quarters or eight semesters of grants for undergraduate study and may
26 transfer among in-state public and independent colleges and
27 universities during that period and continue to receive the grant as
28 provided under RCW 28B.76.665. If the student's cumulative grade point
29 average falls below 3.30 during the first three quarters or two
30 semesters, that student may petition the (~~higher education
31 coordinating board~~) office which shall have the authority to establish
32 a probationary period until such time as the student's grade point
33 average meets required standards.

34 (3) No grant shall be awarded to any student who is pursuing a
35 degree in theology.

36 (4) As used in this section, "independent college or university"
37 means a private, nonprofit educational institution, the main campus of
38 which is permanently situated in the state, open to residents of the

1 state, providing programs of education beyond the high school level
2 leading at least to the baccalaureate degree, and accredited by the
3 northwest association of schools and colleges as of June 9, 1988, and
4 other institutions as may be developed that are approved by the
5 (~~higher education coordinating board~~) office of financial management
6 as meeting equivalent standards as those institutions accredited under
7 this section.

8 (5) As used in this section, "public college or university" means
9 an institution of higher education as defined in RCW 28B.10.016.

10 **Sec. 124.** RCW 28B.76.670 and 1995 1st sp.s. c 7 s 8 are each
11 amended to read as follows:

12 (1) Recipients of the Washington award for vocational excellence
13 under RCW 28C.04.520 through 28C.04.550, who receive the award after
14 June 30, 1994, may receive a grant, if funds are available. The grant
15 shall be used to attend a postsecondary institution located in the
16 state of Washington. Recipients may attend an institution of higher
17 education as defined in RCW 28B.10.016, or an independent college or
18 university, or a licensed private vocational school. The (~~higher
19 education coordinating board~~) office shall distribute grants to
20 eligible students under this section from moneys appropriated for this
21 purpose. The individual grants shall not exceed, on a yearly basis,
22 the yearly, full-time, resident, undergraduate tuition and service and
23 activities fees in effect at the state-funded research universities.
24 In consultation with the workforce training and education coordinating
25 board, the (~~higher education coordinating board~~) office shall
26 establish procedures, by rule, to disburse the awards as direct grants
27 to the students.

28 (2) To qualify for the grant, recipients shall enter the
29 postsecondary institution within three years of high school graduation
30 and maintain a minimum grade point average at the institution
31 equivalent to 3.00, or, at a technical college, an above average
32 rating. Students shall be eligible to receive a maximum of two years
33 of grants for undergraduate study and may transfer among in-state
34 eligible postsecondary institutions during that period and continue to
35 receive the grant.

36 (3) No grant may be awarded to any student who is pursuing a degree
37 in theology.

1 (4) As used in this section, "independent college or university"
2 means a private, nonprofit educational institution, the main campus of
3 which is permanently situated in the state, open to residents of the
4 state, providing programs of education beyond the high school level
5 leading at least to the baccalaureate degree, and accredited by the
6 Northwest association of schools and colleges as of June 9, 1988, and
7 other institutions as may be developed that are approved by the higher
8 education coordinating board as meeting equivalent standards as those
9 institutions accredited under this section.

10 (5) As used in this section, "licensed private vocational school"
11 means a private postsecondary institution, located in the state,
12 licensed by the workforce training and education coordinating board
13 under chapter 28C.10 RCW, and offering postsecondary education in order
14 to prepare persons for a vocation or profession, as defined in RCW
15 28C.10.020(7).

16 **Sec. 125.** RCW 28B.76.690 and 2003 c 159 s 3 are each amended to
17 read as follows:

18 The (~~higher education coordinating board~~) office shall administer
19 Washington's participation in the border county higher education
20 opportunity project.

21 **Sec. 126.** RCW 28A.600.120 and 1985 c 370 s 32 are each amended to
22 read as follows:

23 The (~~higher education coordinating board~~) office of student
24 financial assistance shall have the responsibility for administration
25 of the Washington scholars program. The program will be developed
26 cooperatively with the Washington association of secondary school
27 principals, a voluntary professional association of secondary school
28 principals. The cooperation of other state agencies and private
29 organizations having interest and responsibility in public and private
30 education shall be sought for planning assistance.

31 **Sec. 127.** RCW 28A.600.130 and 2006 c 263 s 916 are each amended to
32 read as follows:

33 The (~~higher education coordinating board~~) office of student
34 financial assistance shall establish a planning committee to develop
35 criteria for screening and selection of the Washington scholars each

1 year in accordance with RCW 28A.600.110(1). It is the intent that
2 these criteria shall emphasize scholastic achievement but not exclude
3 such criteria as leadership ability and community contribution in final
4 selection procedures. The Washington scholars planning committee shall
5 have members from selected state agencies and private organizations
6 having an interest and responsibility in education, including but not
7 limited to, the office of superintendent of public instruction, the
8 council of presidents, the state board for community and technical
9 colleges, and the Washington friends of higher education.

10 **Sec. 128.** RCW 28A.600.140 and 1990 c 33 s 501 are each amended to
11 read as follows:

12 Each year on or before March 1st, the Washington association of
13 secondary school principals shall submit to the (~~higher-education~~
14 ~~coordinating board~~) office of student financial assistance the names
15 of graduating senior high school students who have been identified and
16 recommended to be outstanding in academic achievement by their school
17 principals based on criteria to be established under RCW 28A.600.130.

18 **Sec. 129.** RCW 28A.600.150 and 2005 c 518 s 916 are each amended to
19 read as follows:

20 Each year, three Washington scholars and one Washington scholars-
21 alternate shall be selected from the students nominated under RCW
22 28A.600.140, except that during fiscal year 2007, no more than two
23 scholars plus one alternate may be selected. The (~~higher-education~~
24 ~~coordinating board~~) office of student financial assistance shall
25 notify the students so designated, their high school principals, the
26 legislators of their respective districts, and the governor when final
27 selections have been made.

28 The (~~board~~) office, in conjunction with the governor's office,
29 shall prepare appropriate certificates to be presented to the
30 Washington scholars and the Washington scholars-alternates. An awards
31 ceremony at an appropriate time and place shall be planned by the
32 (~~board~~) office in cooperation with the Washington association of
33 secondary school principals, and with the approval of the governor.

34 **Sec. 130.** RCW 28A.230.125 and 2009 c 556 s 9 are each amended to
35 read as follows:

1 (1) The superintendent of public instruction, in consultation with
2 the (~~higher education coordinating board~~) four-year institutions as
3 defined in RCW 28B.76.020, the state board for community and technical
4 colleges, and the workforce training and education coordinating board,
5 shall develop for use by all public school districts a standardized
6 high school transcript. The superintendent shall establish clear
7 definitions for the terms "credits" and "hours" so that school programs
8 operating on the quarter, semester, or trimester system can be
9 compared.

10 (2) The standardized high school transcript shall include a
11 notation of whether the student has earned a certificate of individual
12 achievement or a certificate of academic achievement.

13 **Sec. 131.** RCW 28A.600.285 and 2009 c 450 s 4 are each amended to
14 read as follows:

15 The superintendent of public instruction and the (~~higher education~~
16 ~~coordinating board~~) office of student financial assistance shall
17 develop advising guidelines to assure that students and parents
18 understand that college credits earned in high school dual credit
19 programs may impact eligibility for financial aid.

20 **Sec. 132.** RCW 28A.630.400 and 2006 c 263 s 815 are each amended to
21 read as follows:

22 (1) The professional educator standards board and the state board
23 for community and technical colleges, in consultation with the
24 superintendent of public instruction, (~~the — higher — education~~
25 ~~coordinating board,~~) the state apprenticeship training council, and
26 community colleges, shall adopt rules as necessary under chapter 34.05
27 RCW to implement the paraeducator associate of arts degree.

28 (2) As used in this section, a "paraeducator" is an individual who
29 has completed an associate of arts degree for a paraeducator. The
30 paraeducator may be hired by a school district to assist certificated
31 instructional staff in the direct instruction of children in small and
32 large groups, individualized instruction, testing of children,
33 recordkeeping, and preparation of materials. The paraeducator shall
34 work under the direction of instructional certificated staff.

35 (3) The training program for a paraeducator associate of arts
36 degree shall include, but is not limited to, the general requirements

1 for receipt of an associate of arts degree and training in the areas of
2 introduction to childhood education, orientation to children with
3 disabilities, fundamentals of childhood education, creative activities
4 for children, instructional materials for children, fine art
5 experiences for children, the psychology of learning, introduction to
6 education, child health and safety, child development and guidance,
7 first aid, and a practicum in a school setting.

8 (4) Consideration shall be given to transferability of credit
9 earned in this program to teacher preparation programs at colleges and
10 universities.

11 **Sec. 133.** RCW 28A.650.015 and 2009 c 556 s 17 are each amended to
12 read as follows:

13 (1) The superintendent of public instruction, to the extent funds
14 are appropriated, shall develop and implement a Washington state K-12
15 education technology plan. The technology plan shall be updated on at
16 least a biennial basis, shall be developed to coordinate and expand the
17 use of education technology in the common schools of the state. The
18 plan shall be consistent with applicable provisions of chapter 43.105
19 RCW. The plan, at a minimum, shall address:

20 (a) The provision of technical assistance to schools and school
21 districts for the planning, implementation, and training of staff in
22 the use of technology in curricular and administrative functions;

23 (b) The continued development of a network to connect school
24 districts, institutions of higher learning, and other sources of online
25 information; and

26 (c) Methods to equitably increase the use of education technology
27 by students and school personnel throughout the state.

28 (2) The superintendent of public instruction shall appoint an
29 educational technology advisory committee to assist in the development
30 and implementation of the technology plan in subsection (1) of this
31 section. The committee shall include, but is not limited to, persons
32 representing: The department of information services, educational
33 service districts, school directors, school administrators, school
34 principals, teachers, classified staff, higher education faculty,
35 parents, students, business, labor, scientists and mathematicians,
36 (~~the higher education coordinating board,~~) the workforce training and
37 education coordinating board, and the state library.

1 (3) The plan adopted and implemented under this section may not
2 impose on school districts any requirements that are not specifically
3 required by federal law or regulation, including requirements to
4 maintain eligibility for the federal schools and libraries program of
5 the universal service fund.

6 **Sec. 134.** RCW 28A.660.050 and 2010 c 235 s 505 are each amended to
7 read as follows:

8 Subject to the availability of amounts appropriated for these
9 purposes, the conditional scholarship programs in this chapter are
10 created under the following guidelines:

11 (1) The programs shall be administered by the (~~higher education~~
12 ~~coordinating board~~) office of student financial assistance. In
13 administering the programs, the (~~higher education coordinating board~~)
14 office has the following powers and duties:

15 (a) To adopt necessary rules and develop guidelines to administer
16 the programs;

17 (b) To collect and manage repayments from participants who do not
18 meet their service obligations; and

19 (c) To accept grants and donations from public and private sources
20 for the programs.

21 (2) Requirements for participation in the conditional scholarship
22 programs are as provided in this subsection (2).

23 (a) The alternative route conditional scholarship program is
24 limited to interns of professional educator standards board-approved
25 alternative routes to teaching programs under RCW 28A.660.040. For
26 fiscal year 2011, priority must be given to fiscal year 2010
27 participants in the alternative route partnership program. In order to
28 receive conditional scholarship awards, recipients shall:

29 (i) Be accepted and maintain enrollment in alternative
30 certification routes through a professional educator standards board-
31 approved program;

32 (ii) Continue to make satisfactory progress toward completion of
33 the alternative route certification program and receipt of a residency
34 teaching certificate; and

35 (iii) Receive no more than the annual amount of the scholarship,
36 not to exceed eight thousand dollars, for the cost of tuition, fees,
37 and educational expenses, including books, supplies, and transportation

1 for the alternative route certification program in which the recipient
2 is enrolled. The board may adjust the annual award by the average rate
3 of resident undergraduate tuition and fee increases at the state
4 universities as defined in RCW 28B.10.016.

5 (b) The pipeline for paraeducators conditional scholarship program
6 is limited to qualified paraeducators as provided by RCW 28A.660.042.
7 In order to receive conditional scholarship awards, recipients shall:

8 (i) Be accepted and maintain enrollment at a community and
9 technical college for no more than two years and attain an associate of
10 arts degree;

11 (ii) Continue to make satisfactory progress toward completion of an
12 associate of arts degree. This progress requirement is a condition for
13 eligibility into a route one program of the alternative routes to
14 teacher certification program for a mathematics, special education, or
15 English as a second language endorsement; and

16 (iii) Receive no more than the annual amount of the scholarship,
17 not to exceed four thousand dollars, for the cost of tuition, fees, and
18 educational expenses, including books, supplies, and transportation for
19 the alternative route certification program in which the recipient is
20 enrolled. The board may adjust the annual award by the average rate of
21 tuition and fee increases at the state community and technical
22 colleges.

23 (c) The retooling to teach mathematics and science conditional
24 scholarship program is limited to current K-12 teachers. In order to
25 receive conditional scholarship awards:

26 (i) Individuals currently employed as teachers shall pursue a
27 middle level mathematics or science, or secondary mathematics or
28 science endorsement; or

29 (ii) Individuals who are certificated with an elementary education
30 endorsement shall pursue an endorsement in middle level mathematics or
31 science, or both; and

32 (iii) Individuals shall use one of the pathways to endorsement
33 processes to receive a mathematics or science endorsement, or both,
34 which shall include passing a mathematics or science endorsement test,
35 or both tests, plus observation and completing applicable coursework to
36 attain the proper endorsement; and

37 (iv) Individuals shall receive no more than the annual amount of

1 the scholarship, not to exceed three thousand dollars, for the cost of
2 tuition, test fees, and educational expenses, including books,
3 supplies, and transportation for the endorsement pathway being pursued.

4 (3) The Washington professional educator standards board shall
5 select individuals to receive conditional scholarships. In selecting
6 recipients, preference shall be given to eligible veterans or national
7 guard members.

8 (4) For the purpose of this chapter, a conditional scholarship is
9 a loan that is forgiven in whole or in part in exchange for service as
10 a certificated teacher employed in a Washington state K-12 public
11 school. The state shall forgive one year of loan obligation for every
12 two years a recipient teaches in a public school. Recipients who fail
13 to continue a course of study leading to residency teacher
14 certification or cease to teach in a public school in the state of
15 Washington in their endorsement area are required to repay the
16 remaining loan principal with interest.

17 (5) Recipients who fail to fulfill the required teaching obligation
18 are required to repay the remaining loan principal with interest and
19 any other applicable fees. The (~~higher education coordinating board~~)
20 office of student financial assistance shall adopt rules to define the
21 terms for repayment, including applicable interest rates, fees, and
22 deferments.

23 (6) The (~~higher education coordinating board~~) office of student
24 financial assistance may deposit all appropriations, collections, and
25 any other funds received for the program in this chapter in the future
26 teachers conditional scholarship account authorized in RCW 28B.102.080.

27 **Sec. 135.** RCW 28B.04.080 and 2004 c 275 s 31 are each amended to
28 read as follows:

29 (1) The board shall consult and cooperate with the department of
30 social and health services; (~~the higher education coordinating~~
31 ~~board;~~) the superintendent of public instruction; the workforce
32 training and education coordinating board; the employment security
33 department; the department of labor and industries; sponsoring agencies
34 under the federal comprehensive employment and training act (87 Stat.
35 839; 29 U.S.C. Sec. 801 et seq.), and any other persons or agencies as
36 the board deems appropriate to facilitate the coordination of centers

1 established under this chapter with existing programs of a similar
2 nature.

3 (2) Annually on July 1st, each agency listed in subsection (1) of
4 this section shall submit a description of each service or program
5 under its jurisdiction which would support the programs and centers
6 established by this chapter and the funds available for such support.

7 (3) The board shall serve as a clearinghouse for displaced
8 homemaker information and resources and shall compile and disseminate
9 statewide information to the centers, related agencies, and interested
10 persons upon request.

11 **Sec. 136.** RCW 28B.07.020 and 2007 c 218 s 86 are each amended to
12 read as follows:

13 As used in this chapter, the following words and terms shall have
14 the following meanings, unless the context otherwise requires:

15 (1) "Authority" means the Washington higher education facilities
16 authority created under RCW 28B.07.030 or any board, body, commission,
17 department or officer succeeding to the principal functions of the
18 authority or to whom the powers conferred upon the authority shall be
19 given by law.

20 (2) "Bonds" means bonds, notes, commercial paper, certificates of
21 indebtedness, or other evidences of indebtedness of the authority
22 issued under this chapter.

23 (3) "Bond resolution" means any resolution of the authority,
24 adopted under this chapter, authorizing the issuance and sale of bonds.

25 (4) "Higher education institution" means a private, nonprofit
26 educational institution, the main campus of which is permanently
27 situated in the state, which is open to residents of the state, which
28 neither restricts entry on racial or religious grounds, which provides
29 programs of education beyond high school leading at least to the
30 baccalaureate degree, and which is accredited by the Northwest
31 Association of Schools and Colleges or by an accrediting association
32 recognized by the council for higher education (~~(coordinating board)~~).

33 (5) "Participant" means a higher education institution which, under
34 this chapter, undertakes the financing of a project or projects or
35 undertakes the refunding or refinancing of obligations, mortgages, or
36 advances previously incurred for a project or projects.

1 (6) "Project" means any land or any improvement, including, but not
2 limited to, buildings, structures, fixtures, utilities, machinery,
3 excavations, paving, and landscaping, and any interest in such land or
4 improvements, and any personal property pertaining or useful to such
5 land and improvements, which are necessary, useful, or convenient for
6 the operation of a higher education institution, including but not
7 limited to, the following: Dormitories or other multi-unit housing
8 facilities for students, faculty, officers, or employees; dining halls;
9 student unions; administration buildings; academic buildings;
10 libraries; laboratories; research facilities; computer facilities;
11 classrooms; athletic facilities; health care facilities; maintenance,
12 storage, or utility facilities; parking facilities; or any combination
13 thereof, or any other structures, facilities, or equipment so related.

14 (7) "Project cost" means any cost related to the acquisition,
15 construction, improvement, alteration, or rehabilitation by a
16 participant or the authority of any project and the financing of the
17 project through the authority, including, but not limited to, the
18 following costs paid or incurred: Costs of acquisition of land or
19 interests in land and any improvement; costs of contractors, builders,
20 laborers, material suppliers, and suppliers of tools and equipment;
21 costs of surety and performance bonds; fees and disbursements of
22 architects, surveyors, engineers, feasibility consultants, accountants,
23 attorneys, financial consultants, and other professionals; interest on
24 bonds issued by the authority during any period of construction;
25 principal of and interest on interim financing of any project; debt
26 service reserve funds; depreciation funds, costs of the initial start-
27 up operation of any project; fees for title insurance, document
28 recording, or filing; fees of trustees and the authority; taxes and
29 other governmental charges levied or assessed on any project; and any
30 other similar costs. Except as specifically set forth in this
31 definition, the term "project cost" does not include books, fuel,
32 supplies, and similar items which are required to be treated as a
33 current expense under generally accepted accounting principles.

34 (8) "Trust indenture" means any agreement, trust indenture, or
35 other similar instrument by and between the authority and one or more
36 corporate trustees.

1 **Sec. 137.** RCW 28B.07.030 and 2007 c 36 s 14 are each amended to
2 read as follows:

3 (1) The Washington higher education facilities authority is hereby
4 established as a public body corporate and politic, with perpetual
5 corporate succession, constituting an agency of the state of Washington
6 exercising essential governmental functions. The authority is a
7 "public body" within the meaning of RCW 39.53.010.

8 (2) The authority shall consist of (~~seven~~) six members as
9 follows: The governor, lieutenant governor, (~~executive director of~~
10 ~~the higher education coordinating board,~~) and four public members, one
11 of whom shall be the president of a higher education institution at the
12 time of appointment. The public members shall be residents of the
13 state and appointed by the governor, subject to confirmation by the
14 senate, on the basis of their interest or expertise in the provision of
15 higher education and the financing of higher education. The public
16 members of the authority shall serve for terms of four years. The
17 initial terms of the public members shall be staggered in a manner
18 determined by the governor. In the event of a vacancy on the authority
19 due to death, resignation, or removal of one of the public members, and
20 upon the expiration of the term of any public member, the governor
21 shall appoint a successor for a term expiring on the fourth anniversary
22 of the successor's date of the appointment. If any of the state
23 offices are abolished, the resulting vacancy on the authority shall be
24 filled by the state officer who shall succeed substantially to the
25 power and duties of the abolished office. Any public member of the
26 authority may be removed by the governor for misfeasance, malfeasance,
27 (~~wilful~~) willful neglect of duty, or any other cause after notice and
28 a public hearing, unless such notice and hearing shall be expressly
29 waived in writing.

30 (3) The governor shall serve as chairperson of the authority. The
31 authority shall elect annually one of its members as secretary. If the
32 governor shall be absent from a meeting of the authority, the secretary
33 shall preside. However, the governor may designate an employee of the
34 governor's office to act on the governor's behalf in all other respects
35 during the absence of the governor at any meeting of the authority. If
36 the designation is in writing and is presented to the person presiding
37 at the meetings of the authority who is included in the designation,

1 the vote of the designee has the same effect as if cast by the
2 governor.

3 (4) Any person designated by resolution of the authority shall keep
4 a record of the proceedings of the authority and shall be the custodian
5 of all books, documents, and papers filed with the authority, the
6 minute book or a journal of the authority, and the authority's official
7 seal, if any. The person may cause copies to be made of all minutes
8 and other records and documents of the authority, and may give
9 certificates to the effect that such copies are true copies. All
10 persons dealing with the authority may rely upon the certificates.

11 (5) Four members of the authority constitute a quorum. Members
12 participating in a meeting through the use of any means of
13 communication by which all members participating can hear each other
14 during the meeting shall be deemed to be present in person at the
15 meeting for all purposes. The authority may act on the basis of a
16 motion except when authorizing the issuance and sale of bonds, in which
17 case the authority shall act by resolution. Bond resolutions and other
18 resolutions shall be adopted upon the affirmative vote of four members
19 of the authority, and shall be signed by those members voting yes.
20 Motions shall be adopted upon the affirmative vote of a majority of a
21 quorum of members present at any meeting of the authority. All actions
22 taken by the authority shall take effect immediately without need for
23 publication or other public notice. A vacancy in the membership of the
24 authority does not impair the power of the authority to act under this
25 chapter.

26 (6) The members of the authority shall be compensated in accordance
27 with RCW 43.03.240 and shall be entitled to reimbursement, solely from
28 the funds of the authority, for travel expenses as determined by the
29 authority incurred in the discharge of their duties under this chapter.

30 **Sec. 138.** RCW 28B.10.786 and 1993 sp.s. c 15 s 7 are each amended
31 to read as follows:

32 It is the policy of the state of Washington that financial need not
33 be a barrier to participation in higher education. It is also the
34 policy of the state of Washington that the essential requirements level
35 budget calculation include funding for state student financial aid
36 programs. The calculation should, at a minimum, include a funding
37 level equal to the amount provided in the second year of the previous

1 biennium in the omnibus appropriations act, adjusted for the percentage
2 of needy resident students, by educational sector, likely to be
3 included in any enrollment increases necessary to maintain, by
4 educational sector, the participation rate funded in the 1993 fiscal
5 year. The calculation should also be adjusted to reflect, by
6 educational sector, any increases in cost of attendance. The cost of
7 attendance figures should be calculated by the (~~higher-education~~
8 ~~coordinating board and provided to the~~) office of financial management
9 and provided to the appropriate legislative committees by June 30th of
10 each even-numbered year.

11 **Sec. 139.** RCW 28B.10.790 and 2004 c 275 s 44 are each amended to
12 read as follows:

13 Washington residents attending any nonprofit college or university
14 in another state which has a reciprocity agreement with the state of
15 Washington shall be eligible for the student financial aid program
16 outlined in chapter 28B.92 RCW if (1) they qualify as a "needy student"
17 under RCW 28B.92.030(~~(+3)~~) (5), and (2) the institution attended is a
18 member institution of an accrediting association recognized by rule of
19 the (~~higher-education-coordinating board~~) office of student financial
20 assistance for the purposes of this section and is specifically
21 encompassed within or directly affected by such reciprocity agreement
22 and agrees to and complies with program rules and regulations
23 pertaining to such students and institutions adopted pursuant to RCW
24 28B.92.150.

25 **Sec. 140.** RCW 28B.10.792 and 1985 c 370 s 55 are each amended to
26 read as follows:

27 The (~~higher-education-coordinating-board~~) office of student
28 financial assistance shall develop guidelines for determining the
29 conditions under which an institution can be determined to be directly
30 affected by a reciprocity agreement for the purposes of RCW 28B.10.790:
31 PROVIDED, That no institution shall be determined to be directly
32 affected unless students from the county in which the institution is
33 located are provided, pursuant to a reciprocity agreement, access to
34 Washington institutions at resident tuition and fee rates to the extent
35 authorized by Washington law.

1 **Sec. 141.** RCW 28B.10.840 and 1985 c 370 s 57 are each amended to
2 read as follows:

3 The term "institution of higher education" whenever used in RCW
4 28B.10.840 through 28B.10.844, shall be held and construed to mean any
5 public institution of higher education in Washington. The term
6 "educational board" whenever used in RCW 28B.10.840 through 28B.10.844,
7 shall be held and construed to mean the state board for community and
8 technical colleges ~~((education and the higher education coordinating~~
9 ~~board))~~.

10 **Sec. 142.** RCW 28B.12.030 and 2002 c 187 s 2 are each amended to
11 read as follows:

12 As used in this chapter, the following words and terms shall have
13 the following meanings, unless the context shall clearly indicate
14 another or different meaning or intent:

15 (1) The term "needy student" shall mean a student enrolled or
16 accepted for enrollment at a ~~((post-secondary))~~ postsecondary
17 institution who, according to a system of need analysis approved by the
18 ~~((higher education coordinating board))~~ office of student financial
19 assistance, demonstrates a financial inability, either parental,
20 familial, or personal, to bear the total cost of education for any
21 semester or quarter.

22 (2) The term "eligible institution" shall mean any ~~((post-~~
23 ~~secondary))~~ postsecondary institution in this state accredited by the
24 Northwest Association of Schools and Colleges, or a branch of a member
25 institution of an accrediting association recognized by rule of the
26 board for purposes of this section, that is eligible for federal
27 student financial aid assistance and has operated as a nonprofit
28 college or university delivering on-site classroom instruction for a
29 minimum of twenty consecutive years within the state of Washington, or
30 any public technical college in the state.

31 **Sec. 143.** RCW 28B.12.040 and 2009 c 560 s 21 are each amended to
32 read as follows:

33 The ~~((higher education coordinating board))~~ office of student
34 financial assistance shall develop and administer the state work-study
35 program. The board shall be authorized to enter into agreements with
36 employers and eligible institutions for the operation of the program.

1 These agreements shall include such provisions as the ((higher
2 education coordinating board)) office may deem necessary or appropriate
3 to carry out the purposes of this chapter.

4 With the exception of off-campus community service placements, the
5 share from moneys disbursed under the state work-study program of the
6 compensation of students employed under such program in accordance with
7 such agreements shall not exceed eighty percent of the total such
8 compensation paid such students.

9 By rule, the ((board)) office shall define community service
10 placements and may determine any salary matching requirements for any
11 community service employers.

12 **Sec. 144.** RCW 28B.12.050 and 1994 c 130 s 5 are each amended to
13 read as follows:

14 The ((higher education coordinating board)) office of student
15 financial assistance shall disburse state work-study funds. In
16 performing its duties under this section, the ((board)) office shall
17 consult eligible institutions and ((post secondary)) postsecondary
18 education advisory and governing bodies. The ((board)) office shall
19 establish criteria designed to achieve such distribution of assistance
20 under this chapter among students attending eligible institutions as
21 will most effectively carry out the purposes of this chapter.

22 **Sec. 145.** RCW 28B.12.055 and 2009 c 215 s 12 are each amended to
23 read as follows:

24 (1) Within existing resources, the ((higher education coordinating
25 board)) office of student financial assistance shall establish the
26 work-study opportunity grant for high-demand occupations, a competitive
27 grant program to encourage job placements in high-demand fields. The
28 ((board)) office shall award grants to eligible institutions of higher
29 education that have developed a partnership with a proximate
30 organization willing to host work-study placements. Partner
31 organizations may be nonprofit organizations, for-profit firms, or
32 public agencies. Eligible institutions of higher education must verify
33 that all job placements will last for a minimum of one academic quarter
34 or one academic semester, depending on the system used by the eligible
35 institution of higher education.

1 (2) The (~~board~~) office may adopt rules to identify high-demand
2 fields for purposes of this section. The legislature recognizes that
3 the high-demand fields identified by the (~~board~~) office may differ in
4 different regions of the state.

5 (3) The (~~board~~) office may award grants to eligible institutions
6 of higher education that cover both student wages and program
7 administration.

8 (4) The (~~board~~) office shall develop performance benchmarks
9 regarding program success including, but not limited to, the number of
10 students served, the amount of employer contributions, and the number
11 of participating high-demand employers.

12 **Sec. 146.** RCW 28B.12.060 and 2009 c 172 s 1 are each amended to
13 read as follows:

14 The (~~higher-education-coordinating-board~~) office of student
15 financial assistance shall adopt rules as may be necessary or
16 appropriate for effecting the provisions of this chapter, and not in
17 conflict with this chapter, in accordance with the provisions of
18 chapter 34.05 RCW, the (~~state-higher-education~~) administrative
19 procedure act. Such rules shall include provisions designed to make
20 employment under the work-study program reasonably available, to the
21 extent of available funds, to all eligible needy students in eligible
22 postsecondary institutions. The rules shall include:

23 (1) Providing work under the state work-study program that will not
24 result in the displacement of employed workers or impair existing
25 contracts for services;

26 (2) Furnishing work only to a student who:

27 (a) Is capable, in the opinion of the eligible institution, of
28 maintaining good standing in such course of study while employed under
29 the program covered by the agreement; and

30 (b) Has been accepted for enrollment as at least a half-time
31 student at the eligible institution or, in the case of a student
32 already enrolled in and attending the eligible institution, is in good
33 standing and in at least half-time attendance there either as an
34 undergraduate, graduate or professional student; and

35 (c) Is not pursuing a degree in theology;

36 (3) Placing priority on providing:

1 (a) Work opportunities for students who are residents of the state
2 of Washington as defined in RCW 28B.15.012 and 28B.15.013, particularly
3 former foster youth as defined in RCW 28B.92.060;

4 (b) Job placements in fields related to each student's academic or
5 vocational pursuits, with an emphasis on off-campus job placements
6 whenever appropriate; and

7 (c) Off-campus community service placements;

8 (4) To the extent practicable, limiting the proportion of state
9 subsidy expended upon nonresident students to fifteen percent, or such
10 less amount as specified in the biennial appropriations act;

11 (5) Provisions to assure that in the state institutions of higher
12 education, utilization of this work-study program:

13 (a) Shall only supplement and not supplant classified positions
14 under jurisdiction of chapter 41.06 RCW;

15 (b) That all positions established which are comparable shall be
16 identified to a job classification under the director of personnel's
17 classification plan and shall receive equal compensation;

18 (c) Shall not take place in any manner that would replace
19 classified positions reduced due to lack of funds or work; and

20 (d) That work study positions shall only be established at entry
21 level positions of the classified service unless the overall scope and
22 responsibilities of the position indicate a higher level; and

23 (6) Provisions to encourage job placements in high employer demand
24 occupations that meet Washington's economic development goals,
25 including those in international trade and international relations.
26 The (~~board~~) office shall permit appropriate job placements in other
27 states and other countries.

28 **Sec. 147.** RCW 28B.12.070 and 1994 c 130 s 7 are each amended to
29 read as follows:

30 Each eligible institution shall submit to the (~~higher education~~
31 ~~coordinating board~~) office of student financial assistance an annual
32 report in accordance with such requirements as are adopted by the
33 board.

34 **Sec. 148.** RCW 28B.15.012 and 2010 c 183 s 1 are each amended to
35 read as follows:

36 Whenever used in this chapter:

1 (1) The term "institution" shall mean a public university, college,
2 or community college within the state of Washington.

3 (2) The term "resident student" shall mean:

4 (a) A financially independent student who has had a domicile in the
5 state of Washington for the period of one year immediately prior to the
6 time of commencement of the first day of the semester or quarter for
7 which the student has registered at any institution and has in fact
8 established a bona fide domicile in this state primarily for purposes
9 other than educational;

10 (b) A dependent student, if one or both of the student's parents or
11 legal guardians have maintained a bona fide domicile in the state of
12 Washington for at least one year immediately prior to commencement of
13 the semester or quarter for which the student has registered at any
14 institution;

15 (c) A student classified as a resident based upon domicile by an
16 institution on or before May 31, 1982, who was enrolled at a state
17 institution during any term of the 1982-1983 academic year, so long as
18 such student's enrollment (excepting summer sessions) at an institution
19 in this state is continuous;

20 (d) Any student who has spent at least seventy-five percent of both
21 his or her junior and senior years in high schools in this state, whose
22 parents or legal guardians have been domiciled in the state for a
23 period of at least one year within the five-year period before the
24 student graduates from high school, and who enrolls in a public
25 institution of higher education within six months of leaving high
26 school, for as long as the student remains continuously enrolled for
27 three quarters or two semesters in any calendar year;

28 (e) Any person who has completed the full senior year of high
29 school and obtained a high school diploma, both at a Washington public
30 high school or private high school approved under chapter 28A.195 RCW,
31 or a person who has received the equivalent of a diploma; who has lived
32 in Washington for at least three years immediately prior to receiving
33 the diploma or its equivalent; who has continuously lived in the state
34 of Washington after receiving the diploma or its equivalent and until
35 such time as the individual is admitted to an institution of higher
36 education under subsection (1) of this section; and who provides to the
37 institution an affidavit indicating that the individual will file an
38 application to become a permanent resident at the earliest opportunity

1 the individual is eligible to do so and a willingness to engage in any
2 other activities necessary to acquire citizenship, including but not
3 limited to citizenship or civics review courses;

4 (f) Any person who has lived in Washington, primarily for purposes
5 other than educational, for at least one year immediately before the
6 date on which the person has enrolled in an institution, and who holds
7 lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii),
8 (H)(i), or (L), or who holds lawful nonimmigrant status as the spouse
9 or child of a person having nonimmigrant status under one of those
10 subsections, or who, holding or having previously held such lawful
11 nonimmigrant status as a principal or derivative, has filed an
12 application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

13 (g) A student who is on active military duty stationed in the state
14 or who is a member of the Washington national guard;

15 (h) A student who is the spouse or a dependent of a person who is
16 on active military duty stationed in the state. If the person on
17 active military duty is reassigned out-of-state, the student maintains
18 the status as a resident student so long as the student is continuously
19 enrolled in a degree program;

20 (i) A student who resides in the state of Washington and is the
21 spouse or a dependent of a person who is a member of the Washington
22 national guard;

23 (j) A student of an out-of-state institution of higher education
24 who is attending a Washington state institution of higher education
25 pursuant to a home tuition agreement as described in RCW 28B.15.725;

26 (k) A student who meets the requirements of RCW 28B.15.0131:
27 PROVIDED, That a nonresident student enrolled for more than six hours
28 per semester or quarter shall be considered as attending for primarily
29 educational purposes, and for tuition and fee paying purposes only such
30 period of enrollment shall not be counted toward the establishment of
31 a bona fide domicile of one year in this state unless such student
32 proves that the student has in fact established a bona fide domicile in
33 this state primarily for purposes other than educational;

34 (l) A student who resides in Washington and is on active military
35 duty stationed in the Oregon counties of Columbia, Gilliam, Hood River,
36 Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union,
37 Wallowa, Wasco, or Washington; or

1 (m) A student who resides in Washington and is the spouse or a
2 dependent of a person who resides in Washington and is on active
3 military duty stationed in the Oregon counties of Columbia, Gilliam,
4 Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla,
5 Union, Wallowa, Wasco, or Washington. If the person on active military
6 duty moves from Washington or is reassigned out of the Oregon counties
7 of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas,
8 Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the
9 student maintains the status as a resident student so long as the
10 student resides in Washington and is continuously enrolled in a degree
11 program.

12 (3) The term "nonresident student" shall mean any student who does
13 not qualify as a "resident student" under the provisions of this
14 section and RCW 28B.15.013. Except for students qualifying under
15 subsection (2)(e) or (j) of this section, a nonresident student shall
16 include:

17 (a) A student attending an institution with the aid of financial
18 assistance provided by another state or governmental unit or agency
19 thereof, such nonresidency continuing for one year after the completion
20 of such semester or quarter.

21 (b) A person who is not a citizen of the United States of America
22 who does not have permanent or temporary resident status or does not
23 hold "Refugee-Parolee" or "Conditional Entrant" status with the United
24 States (~~(citizen and)~~) citizenship immigration services or is not
25 otherwise permanently residing in the United States under color of law
26 and who does not also meet and comply with all the applicable
27 requirements in this section and RCW 28B.15.013.

28 (4) The term "domicile" shall denote a person's true, fixed and
29 permanent home and place of habitation. It is the place where the
30 student intends to remain, and to which the student expects to return
31 when the student leaves without intending to establish a new domicile
32 elsewhere. The burden of proof that a student, parent or guardian has
33 established a domicile in the state of Washington primarily for
34 purposes other than educational lies with the student.

35 (5) The term "dependent" shall mean a person who is not financially
36 independent. Factors to be considered in determining whether a person
37 is financially independent shall be set forth in rules (~~and~~
38 ~~regulations~~) adopted by the (~~higher education coordinating board~~)

1 office of student financial assistance and shall include, but not be
2 limited to, the state and federal income tax returns of the person
3 and/or the student's parents or legal guardian filed for the calendar
4 year prior to the year in which application is made and such other
5 evidence as the board may require.

6 (6) The term "active military duty" means the person is serving on
7 active duty in:

8 (a) The armed forces of the United States government; or

9 (b) The Washington national guard; or

10 (c) The coast guard, merchant mariners, or other nonmilitary
11 organization when such service is recognized by the United States
12 government as equivalent to service in the armed forces.

13 **Sec. 149.** RCW 28B.15.013 and 1989 c 175 s 79 are each amended to
14 read as follows:

15 (1) The establishment of a new domicile in the state of Washington
16 by a person formerly domiciled in another state has occurred if such
17 person is physically present in Washington primarily for purposes other
18 than educational and can show satisfactory proof that such person is
19 without a present intention to return to such other state or to acquire
20 a domicile at some other place outside of Washington.

21 (2) Unless proven to the contrary it shall be presumed that:

22 (a) The domicile of any person shall be determined according to the
23 individual's situation and circumstances rather than by marital status
24 or sex.

25 (b) A person does not lose a domicile in the state of Washington by
26 reason of residency in any state or country while a member of the civil
27 or military service of this state or of the United States, nor while
28 engaged in the navigation of the waters of this state or of the United
29 States or of the high seas if that person returns to the state of
30 Washington within one year of discharge from said service with the
31 intent to be domiciled in the state of Washington; any resident
32 dependent student who remains in this state when such student's
33 parents, having theretofore been domiciled in this state for a period
34 of one year immediately prior to the time of commencement of the first
35 day of the semester or quarter for which the student has registered at
36 any institution, remove from this state, shall be entitled to continued

1 classification as a resident student so long as such student's
2 attendance (except summer sessions) at an institution in this state is
3 continuous.

4 (3) To aid the institution in deciding whether a student, parent,
5 legally appointed guardian or the person having legal custody of a
6 student is domiciled in the state of Washington primarily for purposes
7 other than educational, the rules and regulations adopted by the
8 (~~higher education coordinating board~~) office of student financial
9 assistance shall include but not be limited to the following:

10 (a) Registration or payment of Washington taxes or fees on a motor
11 vehicle, mobile home, travel trailer, boat, or any other item of
12 personal property owned or used by the person for which state
13 registration or the payment of a state tax or fee is required will be
14 a factor in considering evidence of the establishment of a Washington
15 domicile.

16 (b) Permanent full time employment in Washington by a person will
17 be a factor in considering the establishment of a Washington domicile.

18 (c) Registration to vote for state officials in Washington will be
19 a factor in considering the establishment of a Washington domicile.

20 (4) After a student has registered at an institution such student's
21 classification shall remain unchanged in the absence of satisfactory
22 evidence to the contrary. A student wishing to apply for a change in
23 classification shall reduce such evidence to writing and file it with
24 the institution. In any case involving an application for a change
25 from nonresident to resident status, the burden of proof shall rest
26 with the applicant. Any change in classification, either nonresident
27 to resident, or the reverse, shall be based upon written evidence
28 maintained in the files of the institution and, if approved, shall take
29 effect the semester or quarter such evidence was filed with the
30 institution: PROVIDED, That applications for a change in
31 classification shall be accepted up to the thirtieth calendar day
32 following the first day of instruction of the quarter or semester for
33 which application is made.

34 **Sec. 150.** RCW 28B.15.015 and 1985 c 370 s 64 are each amended to
35 read as follows:

36 The (~~higher education coordinating board, upon consideration of~~
37 ~~advice from representatives of the~~) state's institutions, with the

1 advice of the attorney general, shall adopt rules and regulations to be
2 used by the state's institutions for determining a student's resident
3 and nonresident status and for recovery of fees for improper
4 classification of residency.

5 **Sec. 151.** RCW 28B.15.100 and 2011 c 274 s 5 are each amended to
6 read as follows:

7 (1) The governing boards of the state universities, the regional
8 universities, The Evergreen State College, and the community colleges
9 shall charge to and collect from each of the students registering at
10 the particular institution for any quarter or semester such tuition
11 fees and services and activities fees, and other fees as such board
12 shall in its discretion determine. For the governing boards of the
13 state universities, the regional universities, and The Evergreen State
14 College, the total of all fees shall be rounded to the nearest whole
15 dollar amount: PROVIDED, That such tuition fees shall be established
16 in accordance with RCW 28B.15.067.

17 (2) Part-time students shall be charged tuition and services and
18 activities fees proportionate to full-time student rates established
19 for residents and nonresidents: PROVIDED, That except for students
20 registered at community colleges, students registered for fewer than
21 two credit hours shall be charged tuition and services and activities
22 fees at the rate established for two credit hours: PROVIDED FURTHER,
23 That, subject to the limitations of RCW 28B.15.910, residents of Idaho
24 or Oregon who are enrolled in community college district number twenty
25 for six or fewer credits during any quarter or semester may be exempted
26 from payment of all or a portion of the nonresident tuition fees
27 differential upon a declaration by the (~~higher education coordinating~~
28 ~~board~~) office of student financial assistance that it finds Washington
29 residents from the community college district are afforded
30 substantially equivalent treatment by such other states.

31 (3) Full-time students registered for more than eighteen credit
32 hours shall be charged an additional operating fee for each credit hour
33 in excess of eighteen hours at the applicable established per credit
34 hour tuition fee rate for part-time students: PROVIDED, That, subject
35 to the limitations of RCW 28B.15.910, the governing boards of the state
36 universities and the community colleges may exempt all or a portion of
37 the additional charge, for students who are registered exclusively in

1 first professional programs in medicine, dental medicine, veterinary
2 medicine, doctor of pharmacy, or law, or who are registered exclusively
3 in required courses in vocational preparatory programs.

4 **Sec. 152.** RCW 28B.15.543 and 2004 c 275 s 49 are each amended to
5 read as follows:

6 (1) Subject to the limitations of RCW 28B.15.910, the governing
7 boards of the state universities, the regional universities, The
8 Evergreen State College, and the community colleges shall waive tuition
9 and service and activities fees for students named by the (~~higher~~
10 ~~education coordinating board~~) office of student financial assistance
11 on or before June 30, 1994, as recipients of the Washington scholars
12 award under RCW 28A.600.100 through 28A.600.150. The waivers shall be
13 used only for undergraduate studies. To qualify for the waiver,
14 recipients shall enter the college or university within three years of
15 high school graduation and maintain a minimum grade point average at
16 the college or university equivalent to 3.30. Students shall be
17 eligible to receive a maximum of twelve quarters or eight semesters of
18 waivers and may transfer among state-supported institutions of higher
19 education during that period and continue to have the tuition and
20 services and activities fees waived by the state-supported institution
21 of higher education that the student attends. Should the student's
22 cumulative grade point average fall below 3.30 during the first three
23 quarters or two semesters, that student may petition the (~~higher~~
24 ~~education coordinating board~~) office of student financial assistance
25 which shall have the authority to establish a probationary period until
26 such time as the student's grade point average meets required
27 standards.

28 (2) Students named by the (~~higher education coordinating board~~)
29 office of student financial assistance after June 30, 1994, as
30 recipients of the Washington scholars award under RCW 28A.600.100
31 through 28A.600.150 shall be eligible to receive a grant for
32 undergraduate course work as authorized under RCW 28B.76.660.

33 **Sec. 153.** RCW 28B.15.732 and 1985 c 370 s 70 are each amended to
34 read as follows:

35 Prior to January 1st of each odd-numbered year the (~~higher~~
36 ~~education coordinating board, in cooperation with the state board for~~

1 ~~community—college—education,—and))~~ office of student financial
2 assistance, in consultation with appropriate agencies and officials in
3 the state of Oregon, shall determine for the purposes of RCW 28B.15.730
4 the number of students for whom nonresident tuition and fees have been
5 waived for the first academic year of the biennium and the fall term of
6 the second academic year, and make an estimate of the number of such
7 students for the remainder of the second academic year, and the
8 difference between the aggregate amount of tuition and fees that would
9 have been paid to the respective states by residents of the other state
10 had such waivers not been made, and the aggregate amount of tuition and
11 fees paid by residents of the other state. Should the ((~~board~~)) office
12 of student financial assistance determine that the state of Oregon has
13 experienced a greater net tuition and fee revenue loss than
14 institutions in Washington, it shall pay from funds appropriated for
15 this purpose to the appropriate agency or institutions in Oregon an
16 amount determined by subtracting the net tuition and fee revenue loss
17 of Washington from the net tuition and fee revenue loss of Oregon,
18 minus twenty-five thousand dollars for each year of the biennium:
19 PROVIDED, That appropriate officials in the state of Oregon agree to
20 make similar restitution to the state of Washington should the net
21 tuition and fee revenue loss in Washington be greater than that in
22 Oregon.

23 **Sec. 154.** RCW 28B.15.752 and 1985 c 370 s 74 are each amended to
24 read as follows:

25 Prior to January 1st of each odd-numbered year, the ((~~higher~~
26 ~~education coordinating board, in cooperation with the state board for~~
27 ~~community—college—education— and)) office of student financial
28 assistance in consultation with appropriate agencies and officials in
29 the state of Idaho, shall determine for the purposes of RCW 28B.15.750
30 the number of students for whom nonresident tuition and fees have been
31 waived for the first academic year of the biennium and the fall term of
32 the second academic year, and make an estimate of the number of such
33 students for the remainder of the second academic year, and the
34 difference between the aggregate amount of tuition and fees that would
35 have been paid to the respective states by residents of the other state
36 had such waivers not been made, and the aggregate amount of tuition and
37 fees paid by residents of the other state. Should the ((~~board~~)) office~~

1 of student financial assistance determine that the state of Idaho has
2 experienced a greater net tuition and fee revenue loss than
3 institutions in Washington, it shall pay from funds appropriated for
4 this purpose to the appropriate agency or institution in Idaho an
5 amount determined by subtracting the net tuition and fee revenue loss
6 of Washington from the net tuition and fee revenue loss of Idaho, minus
7 twenty-five thousand dollars for each year of the biennium if the
8 appropriate officials in the state of Idaho agree to make similar
9 restitution to the state of Washington should the net tuition and fee
10 revenue loss in Washington be greater than that in Idaho.

11 **Sec. 155.** RCW 28B.15.760 and 2004 c 275 s 65 are each amended to
12 read as follows:

13 Unless the context clearly requires otherwise, the definitions in
14 this section apply throughout RCW 28B.15.762 and 28B.15.764.

15 (1) "Institution of higher education" or "institution" means a
16 college or university in the state of Washington which is a member
17 institution of an accrediting association recognized as such by rule of
18 the higher education coordinating board.

19 (2) "Board" means the higher education coordinating board.

20 (3) "Eligible student" means a student registered for at least ten
21 credit hours or the equivalent and demonstrates achievement of a 3.00
22 grade point average for each academic year, who is a resident student
23 as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy
24 student" as defined in RCW 28B.92.030, and who has a declared major in
25 a program leading to a degree in teacher education in a field of
26 science or mathematics, or a certificated teacher who meets the same
27 credit hour and "needy student" requirements and is seeking an
28 additional degree in science or mathematics.

29 (4) "Public school" means a middle school, junior high school, or
30 high school within the public school system referred to in Article IX
31 of the state Constitution.

32 (5) "Forgiven" or "to forgive" means to collect service as a
33 teacher in a field of science or mathematics at a public school in the
34 state of Washington in lieu of monetary payment.

35 (6) "Satisfied" means paid-in-full.

36 (7) "Borrower" means an eligible student who has received a loan
37 under RCW 28B.15.762.

1 (8) "Office" means the office of student financial assistance.

2 **Sec. 156.** RCW 28B.15.762 and 1996 c 107 s 2 are each amended to
3 read as follows:

4 (1) The ((~~board~~)) office may make long-term loans to eligible
5 students at institutions of higher education from the funds
6 appropriated to the ((~~board~~)) office for this purpose. The amount of
7 any such loan shall not exceed the demonstrated financial need of the
8 student or two thousand five hundred dollars for each academic year
9 whichever is less, and the total amount of such loans to an eligible
10 student shall not exceed ten thousand dollars. The interest rates and
11 terms of deferral of such loans shall be consistent with the terms of
12 the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq.
13 The period for repaying the loan principal and interest shall be ten
14 years with payments accruing quarterly commencing nine months from the
15 date the borrower graduated. The entire principal and interest of each
16 loan payment shall be forgiven for each payment period in which the
17 borrower teaches science or mathematics in a public school in this
18 state until the entire loan is satisfied or the borrower ceases to
19 teach science or mathematics at a public school in this state. Should
20 the borrower cease to teach science or mathematics at a public school
21 in this state before the time in which the principal and interest on
22 the loan are satisfied, payments on the unsatisfied portion of the
23 principal and interest on the loan shall begin the next payment period
24 and continue until the remainder of the loan is paid.

25 (2) The ((~~board~~)) office is responsible for collection of loans
26 made under subsection (1) of this section and shall exercise due
27 diligence in such collection, maintaining all necessary records to
28 insure that maximum repayments are made. Collection and servicing of
29 loans under subsection (1) of this section shall be pursued using the
30 full extent of the law, including wage garnishment if necessary, and
31 shall be performed by entities approved for such servicing by the
32 Washington student loan guaranty association or its successor agency.
33 The board is responsible to forgive all or parts of such loans under
34 the criteria established in subsection (1) of this section and shall
35 maintain all necessary records of forgiven payments.

36 (3) Receipts from the payment of principal or interest or any other
37 subsidies to which the board as lender is entitled, which are paid by

1 or on behalf of borrowers under subsection (1) of this section, shall
2 be deposited with the (~~higher education coordinating board~~) office
3 and shall be used to cover the costs of making the loans under
4 subsection (1) of this section, maintaining necessary records, and
5 making collections under subsection (2) of this section. The (~~board~~)
6 office shall maintain accurate records of these costs, and all receipts
7 beyond those necessary to pay such costs shall be used to make loans to
8 eligible students.

9 (4) Any funds not used to make loans, or to cover the cost of
10 making loans or making collections, shall be placed in the state
11 educational trust fund for needy or disadvantaged students.

12 (5) The (~~board~~) office shall adopt necessary rules to implement
13 this section.

14 **Sec. 157.** RCW 28B.50.272 and 2007 c 277 s 102 are each amended to
15 read as follows:

16 (1) To be eligible for participation in the opportunity grant
17 program established in RCW 28B.50.271, a student must:

18 (a) Be a Washington resident student as defined in RCW 28B.15.012
19 enrolled in an opportunity grant-eligible program of study;

20 (b) Have a family income that is at or below two hundred percent of
21 the federal poverty level using the most current guidelines available
22 from the United States department of health and human services, and be
23 determined to have financial need based on the free application for
24 federal student aid; and

25 (c) Meet such additional selection criteria as the college board
26 shall establish in order to operate the program within appropriated
27 funding levels.

28 (2) Upon enrolling, the student must provide evidence of commitment
29 to complete the program. The student must make satisfactory progress
30 and maintain a cumulative 2.0 grade point average for continued
31 eligibility. If a student's cumulative grade point average falls below
32 2.0, the student may petition the institution of higher education of
33 attendance. The qualified institution of higher education has the
34 authority to establish a probationary period until such time as the
35 student's grade point average reaches required standards.

36 (3) Subject to funds appropriated for this specific purpose, public
37 qualified institutions of higher education shall receive an enhancement

1 of one thousand five hundred dollars for each full-time equivalent
2 student enrolled in the opportunity grant program whose income is below
3 two hundred percent of the federal poverty level. The funds shall be
4 used for individualized support services which may include, but are not
5 limited to, college and career advising, tutoring, emergency child
6 care, and emergency transportation. The qualified institution of
7 higher education is expected to help students access all financial
8 resources and support services available to them through alternative
9 sources.

10 (4) The college board shall be accountable for student retention
11 and completion of opportunity grant-eligible programs of study. It
12 shall set annual performance measures and targets and monitor the
13 performance at all qualified institutions of higher education. The
14 college board must reduce funding at institutions of higher education
15 that do not meet targets for two consecutive years, based on criteria
16 developed by the college board.

17 (5) The college board and (~~higher education coordinating board~~)
18 office of student financial assistance shall work together to ensure
19 that students participating in the opportunity grant program are
20 informed of all other state and federal financial aid to which they may
21 be entitled while receiving an opportunity grant.

22 (6) The college board and (~~higher education coordinating board~~)
23 office of student financial assistance shall document the amount of
24 opportunity grant assistance and the types and amounts of other sources
25 of financial aid received by participating students. Annually, they
26 shall produce a summary of the data.

27 (7) The college board shall:

28 (a) Begin developing the program no later than August 1, 2007, with
29 student enrollment to begin no later than January 14, 2008; and

30 (b) Submit a progress report to the legislature by December 1,
31 2008.

32 (8) The college board may, in implementing the opportunity grant
33 program, accept, use, and expend or dispose of contributions of money,
34 services, and property. All such moneys received by the college board
35 for the program must be deposited in an account at a depository
36 approved by the state treasurer. Only the college board or a duly
37 authorized representative thereof may authorize expenditures from this
38 account. In order to maintain an effective expenditure and revenue

1 control, the account is subject in all respects to chapter 43.88 RCW,
2 but no appropriation is required to permit expenditure of moneys in the
3 account.

4 **Sec. 158.** RCW 28B.92.020 and 2003 c 19 s 11 are each amended to
5 read as follows:

6 (1) The legislature finds that the (~~higher education coordinating~~
7 ~~board, in consultation with the~~) higher education community, has
8 completed a review of the state need grant program. It is the intent
9 of the legislature to endorse the (~~board's~~) proposed changes to the
10 state need grant program, including:

11 (a) Reaffirmation that the primary purpose of the state need grant
12 program is to assist low-income, needy, and disadvantaged Washington
13 residents attending institutions of higher education;

14 (b) A goal that the base state need grant amount over time be
15 increased to be equivalent to the rate of tuition charged to resident
16 undergraduate students attending Washington state public colleges and
17 universities;

18 (c) State need grant recipients be required to contribute a portion
19 of the total cost of their education through self-help;

20 (d) State need grant recipients be required to document their need
21 for dependent care assistance after taking into account other public
22 funds provided for like purposes; and

23 (e) Institutional aid administrators be allowed to determine
24 whether a student eligible for a state need grant in a given academic
25 year may remain eligible for the ensuing year if the student's family
26 income increases by no more than a marginal amount except for funds
27 provided through the educational assistance grant program for students
28 with dependents.

29 (2) The legislature further finds that the (~~higher education~~
30 ~~coordinating board, under its authority to implement the proposed~~)
31 changes in subsection (1) of this section, should do so in a timely
32 manner.

33 (3) The legislature also finds that:

34 (a) In most circumstances, need grant eligibility should not extend
35 beyond five years or one hundred twenty-five percent of the published
36 length of the program in which the student is enrolled or the credit or
37 clock-hour equivalent; and

1 (b) State financial aid programs should continue to adhere to the
2 principle that funding follows resident students to their choice of
3 institution of higher education.

4 **Sec. 159.** RCW 28B.92.030 and 2009 c 238 s 7 and 2009 c 215 s 5 are
5 each reenacted and amended to read as follows:

6 As used in this chapter:

7 (1) (~~("Board" means the higher education coordinating board.~~
8 ~~(2))~~) "Disadvantaged student" means a (~~(post-high)~~) posthigh school
9 student who by reason of adverse cultural, educational, environmental,
10 experiential, familial or other circumstances is unable to qualify for
11 enrollment as a full-time student in an institution of higher
12 education, who would otherwise qualify as a needy student, and who is
13 attending an institution of higher education under an established
14 program designed to qualify the student for enrollment as a full-time
15 student.

16 (~~(3)~~) (2) "Financial aid" means loans and/or grants to needy
17 students enrolled or accepted for enrollment as a student at
18 institutions of higher education.

19 (~~(4)~~) (3) "Institution" or "institutions of higher education"
20 means:

21 (a) Any public university, college, community college, or technical
22 college operated by the state of Washington or any political
23 subdivision thereof; or

24 (b) Any other university, college, school, or institute in the
25 state of Washington offering instruction beyond the high school level
26 which is a member institution of an accrediting association recognized
27 by rule of the board for the purposes of this section: PROVIDED, That
28 any institution, branch, extension or facility operating within the
29 state of Washington which is affiliated with an institution operating
30 in another state must be a separately accredited member institution of
31 any such accrediting association, or a branch of a member institution
32 of an accrediting association recognized by rule of the board for
33 purposes of this section, that is eligible for federal student
34 financial aid assistance and has operated as a nonprofit college or
35 university delivering on-site classroom instruction for a minimum of
36 twenty consecutive years within the state of Washington, and has an
37 annual enrollment of at least seven hundred full-time equivalent

1 students: PROVIDED FURTHER, That no institution of higher education
2 shall be eligible to participate in a student financial aid program
3 unless it agrees to and complies with program rules and regulations
4 adopted pursuant to RCW 28B.92.150.

5 ((+5)) (4) "Needy student" means a ((~~post-high~~)) posthigh school
6 student of an institution of higher education who demonstrates to the
7 board the financial inability, either through the student's parents,
8 family and/or personally, to meet the total cost of board, room, books,
9 and tuition and incidental fees for any semester or quarter. "Needy
10 student" also means an opportunity internship graduate as defined by
11 RCW 28C.18.162 who enrolls in a postsecondary program of study as
12 defined in RCW 28C.18.162 within one year of high school graduation.

13 (5) "Office" means the office of student financial assistance.

14 (6) "Placebound student" means a student who (a) is unable to
15 complete a college program because of family or employment commitments,
16 health concerns, monetary inability, or other similar factors; and (b)
17 may be influenced by the receipt of an enhanced student financial aid
18 award to complete a baccalaureate degree at an eligible institution.

19 **Sec. 160.** RCW 28B.92.040 and 2004 c 275 s 36 are each amended to
20 read as follows:

21 The ((~~board~~)) office shall be cognizant of the following guidelines
22 in the performance of its duties:

23 (1) The ((~~board~~)) office shall be research oriented, not only at
24 its inception but continually through its existence.

25 (2) The ((~~board~~)) office shall coordinate all existing programs of
26 financial aid except those specifically dedicated to a particular
27 institution by the donor.

28 (3) The ((~~board~~)) office shall take the initiative and
29 responsibility for coordinating all federal student financial aid
30 programs to ensure that the state recognizes the maximum potential
31 effect of these programs, and shall design state programs that
32 complement existing federal, state, and institutional programs. The
33 ((~~board~~)) office shall ensure that state programs continue to follow
34 the principle that state financial aid funding follows the student to
35 the student's choice of institution of higher education.

36 (4) Counseling is a paramount function of the state need grant and
37 other state student financial aid programs, and in most cases could

1 only be properly implemented at the institutional levels; therefore,
2 state student financial aid programs shall be concerned with the
3 attainment of those goals which, in the judgment of the ((~~board~~))
4 office, are the reasons for the existence of a student financial aid
5 program, and not solely with administration of the program on an
6 individual basis.

7 (5) The "package" approach of combining loans, grants and
8 employment for student financial aid shall be the conceptual element of
9 the state's involvement.

10 (6) The ((~~board~~)) office shall ensure that allocations of state
11 appropriations for financial aid are made to individuals and
12 institutions in a timely manner and shall closely monitor expenditures
13 to avoid under or overexpenditure of appropriated funds.

14 **Sec. 161.** RCW 28B.92.050 and 1999 c 345 s 4 are each amended to
15 read as follows:

16 The ((~~board~~)) office shall have the following powers and duties:

- 17 (1) Conduct a full analysis of student financial aid as a means of:
18 (a) Fulfilling educational aspirations of students of the state of
19 Washington, and
20 (b) Improving the general, social, cultural, and economic character
21 of the state.

22 Such an analysis will be a continuous one and will yield current
23 information relevant to needed improvements in the state program of
24 student financial aid. The ((~~board~~)) office will disseminate the
25 information yielded by their analyses to all appropriate individuals
26 and agents.

27 (2) Design a state program of student financial aid based on the
28 data of the study referred to in this section. The state programs will
29 supplement available federal and local aid programs. The state
30 programs of student financial aid will not exceed the difference
31 between the budgetary costs of attending an institution of higher
32 education and the student's total resources, including family support,
33 personal savings, employment, and federal, state, and local aid
34 programs.

35 (3) Determine and establish criteria for financial need of the
36 individual applicant based upon the consideration of that particular

1 applicant. In making this determination the ((~~board~~)) office shall
2 consider the following:

3 (a) Assets and income of the student.

4 (b) Assets and income of the parents, or the individuals legally
5 responsible for the care and maintenance of the student.

6 (c) The cost of attending the institution the student is attending
7 or planning to attend.

8 (d) Any other criteria deemed relevant to the ((~~board~~)) office.

9 (4) Set the amount of financial aid to be awarded to any individual
10 needy or disadvantaged student in any school year.

11 (5) Award financial aid to needy or disadvantaged students for a
12 school year based upon only that amount necessary to fill the financial
13 gap between the budgetary cost of attending an institution of higher
14 education and the family and student contribution.

15 (6) Review the need and eligibility of all applications on an
16 annual basis and adjust financial aid to reflect changes in the
17 financial need of the recipients and the cost of attending the
18 institution of higher education.

19 **Sec. 162.** RCW 28B.92.060 and 2009 c 215 s 4 are each amended to
20 read as follows:

21 In awarding need grants, the ((~~board~~)) office shall proceed
22 substantially as follows: PROVIDED, That nothing contained herein
23 shall be construed to prevent the ((~~board~~)) office, in the exercise of
24 its sound discretion, from following another procedure when the best
25 interest of the program so dictates:

26 (1) The ((~~board~~)) office shall annually select the financial aid
27 award recipients from among Washington residents applying for student
28 financial aid who have been ranked according to:

29 (a) Financial need as determined by the amount of the family
30 contribution; and

31 (b) Other considerations, such as whether the student is a former
32 foster youth, or is a placebound student who has completed an associate
33 of arts or associate of science degree or its equivalent.

34 (2) The financial need of the highest ranked students shall be met
35 by grants depending upon the evaluation of financial need until the
36 total allocation has been disbursed. Funds from grants which are

1 declined, forfeited or otherwise unused shall be reawarded until
2 disbursed, except that eligible former foster youth shall be assured
3 receipt of a grant.

4 (3) A student shall be eligible to receive a state need grant for
5 up to five years, or the credit or clock hour equivalent of five years,
6 or up to one hundred twenty-five percent of the published length of
7 time of the student's program. A student may not start a new associate
8 degree program as a state need grant recipient until at least five
9 years have elapsed since earning an associate degree as a need grant
10 recipient, except that a student may earn two associate degrees
11 concurrently. Qualifications for renewal will include maintaining
12 satisfactory academic progress toward completion of an eligible program
13 as determined by the (~~board~~) office. Should the recipient terminate
14 his or her enrollment for any reason during the academic year, the
15 unused portion of the grant shall be returned to the state educational
16 grant fund by the institution according to the institution's own policy
17 for issuing refunds, except as provided in RCW 28B.92.070.

18 (4) In computing financial need, the (~~board~~) office shall
19 determine a maximum student expense budget allowance, not to exceed an
20 amount equal to the total maximum student expense budget at the public
21 institutions plus the current average state appropriation per student
22 for operating expense in the public institutions. Any child support
23 payments received by students who are parents attending less than half-
24 time shall not be used in computing financial need.

25 (5)(a) A student who is enrolled in three to six credit-bearing
26 quarter credits, or the equivalent semester credits, may receive a
27 grant for up to one academic year before beginning a program that leads
28 to a degree or certificate.

29 (b) An eligible student enrolled on a less-than-full-time basis
30 shall receive a prorated portion of his or her state need grant for any
31 academic period in which he or she is enrolled on a less-than-full-time
32 basis, as long as funds are available.

33 (c) An institution of higher education may award a state need grant
34 to an eligible student enrolled in three to six credit-bearing quarter
35 credits, or the semester equivalent, on a provisional basis if:

36 (i) The student has not previously received a state need grant from
37 that institution;

1 (ii) The student completes the required free application for
2 federal student aid;

3 (iii) The institution has reviewed the student's financial
4 condition, and the financial condition of the student's family if the
5 student is a dependent student, and has determined that the student is
6 likely eligible for a state need grant; and

7 (iv) The student has signed a document attesting to the fact that
8 the financial information provided on the free application for federal
9 student aid and any additional financial information provided directly
10 to the institution is accurate and complete, and that the student
11 agrees to repay the institution for the grant amount if the student
12 submitted false or incomplete information.

13 (6) As used in this section, "former foster youth" means a person
14 who is at least eighteen years of age, but not more than twenty-four
15 years of age, who was a dependent of the department of social and
16 health services at the time he or she attained the age of eighteen.

17 **Sec. 163.** RCW 28B.92.084 and 2009 c 238 s 8 are each amended to
18 read as follows:

19 (1) The (~~board~~) office shall work with institutions of higher
20 education to assure that the institutions are aware of the eligibility
21 of opportunity internship graduates for an award under this chapter.

22 (2) If an opportunity internship graduate enrolls within one year
23 of high school graduation in a postsecondary program of study in an
24 institution of higher education, including in an apprenticeship program
25 with related and supplemental instruction provided through an
26 institution of higher education, the graduate is eligible to receive a
27 state need grant for up to one year. The graduate shall not be
28 required to be enrolled on at least a half-time basis. The related and
29 supplemental instruction provided to a graduate through an
30 apprenticeship program shall not be required to lead to a degree or
31 certificate.

32 (3) Except for the eligibility criteria for an opportunity
33 internship graduate that are provided under this section, other rules
34 pertaining to award of a state need grant apply.

35 (4) Nothing in this section precludes an opportunity internship
36 graduate from being eligible to receive additional state need grants

1 after the one-year grant provided in this section if the graduate meets
2 other criteria as a needy or disadvantaged student.

3 **Sec. 164.** RCW 28B.92.120 and 2004 c 275 s 41 are each amended to
4 read as follows:

5 Funds appropriated for student financial assistance to be granted
6 pursuant to this chapter shall be disbursed as determined by the
7 (~~board~~) office.

8 **Sec. 165.** RCW 28B.92.130 and 2004 c 275 s 42 are each amended to
9 read as follows:

10 The (~~board~~) office shall be authorized to accept grants, gifts,
11 bequests, and devises of real and personal property from any source for
12 the purpose of granting financial aid in addition to that funded by the
13 state.

14 **Sec. 166.** RCW 28B.92.140 and 1997 c 269 s 1 are each amended to
15 read as follows:

16 The state educational trust fund is hereby established in the state
17 treasury. The primary purpose of the trust is to pledge statewide
18 available college student assistance to needy or disadvantaged
19 students, especially middle and high school youth, considered at-risk
20 of dropping out of secondary education who participate in
21 (~~board~~) approved early awareness and outreach programs and who enter
22 any accredited Washington institution of postsecondary education within
23 two years of high school graduation.

24 The (~~board~~) office shall deposit refunds and recoveries of
25 student financial aid funds expended in prior fiscal periods in such
26 account. The (~~board~~) office may also deposit moneys that have been
27 contributed from other state, federal, or private sources.

28 Expenditures from the fund shall be for financial aid to needy or
29 disadvantaged students. The (~~board~~) office may annually expend such
30 sums from the fund as may be necessary to fulfill the purposes of this
31 section, including not more than three percent for the costs to
32 administer aid programs supported by the fund. All earnings of
33 investments of balances in the state educational trust fund shall be
34 credited to the trust fund. Expenditures from the fund shall not be

1 subject to appropriation but are subject to allotment procedures under
2 chapter 43.88 RCW.

3 **Sec. 167.** RCW 28B.92.150 and 2004 c 275 s 43 are each amended to
4 read as follows:

5 The (~~board~~) office shall adopt rules as may be necessary or
6 appropriate for effecting the provisions of this chapter, in accordance
7 with the provisions of chapter 34.05 RCW, the administrative procedure
8 act.

9 **Sec. 168.** RCW 28B.95.020 and 2007 c 405 s 8 are each amended to
10 read as follows:

11 The definitions in this section apply throughout this chapter,
12 unless the context clearly requires otherwise.

13 (1) "Academic year" means the regular nine-month, three-quarter, or
14 two-semester period annually occurring between August 1st and July
15 31st.

16 (2) "Account" means the Washington advanced college tuition payment
17 program account established for the deposit of all money received by
18 the board from eligible purchasers and interest earnings on investments
19 of funds in the account, as well as for all expenditures on behalf of
20 eligible beneficiaries for the redemption of tuition units and for the
21 development of any authorized college savings program pursuant to RCW
22 28B.95.150.

23 (3) (~~"Board"~~) "Office" means the (~~(higher education coordinating~~
24 ~~board)~~) office of student financial assistance as defined in chapter
25 28B.76 RCW.

26 (4) "Committee on advanced tuition payment" or "committee" means a
27 committee of the following members: The state treasurer, the director
28 of the office of financial management, the (~~executive~~) director of
29 the (~~higher education coordinating board~~) office, or their designees,
30 and two members to be appointed by the governor, one representing
31 program participants and one private business representative with
32 marketing, public relations, or financial expertise.

33 (5) "Governing body" means the committee empowered by the
34 legislature to administer the Washington advanced college tuition
35 payment program.

1 (6) "Contractual obligation" means a legally binding contract of
2 the state with the purchaser and the beneficiary establishing that
3 purchases of tuition units will be worth the same number of tuition
4 units at the time of redemption as they were worth at the time of the
5 purchase.

6 (7) "Eligible beneficiary" means the person for whom the tuition
7 unit will be redeemed for attendance at an institution of higher
8 education. The beneficiary is that person named by the purchaser at
9 the time that a tuition unit contract is accepted by the governing
10 body. Qualified organizations, as allowed under section 529 of the
11 federal internal revenue code, purchasing tuition unit contracts as
12 future scholarships need not designate a beneficiary at the time of
13 purchase.

14 (8) "Eligible purchaser" means an individual or organization that
15 has entered into a tuition unit contract with the governing body for
16 the purchase of tuition units for an eligible beneficiary. The state
17 of Washington may be an eligible purchaser for purposes of purchasing
18 tuition units to be held for granting Washington college bound
19 scholarships.

20 (9) "Full-time tuition charges" means resident tuition charges at
21 a state institution of higher education for enrollments between ten
22 credits and eighteen credit hours per academic term.

23 (10) "Institution of higher education" means an institution that
24 offers education beyond the secondary level and is recognized by the
25 internal revenue service under chapter 529 of the internal revenue
26 code.

27 (11) "Investment board" means the state investment board as defined
28 in chapter 43.33A RCW.

29 (12) "State institution of higher education" means institutions of
30 higher education as defined in RCW 28B.10.016.

31 (13) "Tuition and fees" means undergraduate tuition and services
32 and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded
33 to the nearest whole dollar. For purposes of this chapter, services
34 and activities fees do not include fees charged for the payment of
35 bonds heretofore or hereafter issued for, or other indebtedness
36 incurred to pay, all or part of the cost of acquiring, constructing, or
37 installing any lands, buildings, or facilities.

1 (14) "Tuition unit contract" means a contract between an eligible
2 purchaser and the governing body, or a successor agency appointed for
3 administration of this chapter, for the purchase of tuition units for
4 a specified beneficiary that may be redeemed at a later date for an
5 equal number of tuition units.

6 (15) "Unit purchase price" means the minimum cost to purchase one
7 tuition unit for an eligible beneficiary. Generally, the minimum
8 purchase price is one percent of the undergraduate tuition and fees for
9 the current year, rounded to the nearest whole dollar, adjusted for the
10 costs of administration and adjusted to ensure the actuarial soundness
11 of the account. The analysis for price setting shall also include, but
12 not be limited to consideration of past and projected patterns of
13 tuition increases, program liability, past and projected investment
14 returns, and the need for a prudent stabilization reserve.

15 **Sec. 169.** RCW 28B.95.025 and 2000 c 14 s 2 are each amended to
16 read as follows:

17 The ~~((board))~~ office shall maintain appropriate offices and employ
18 and fix compensation of such personnel as may be necessary to perform
19 the advanced college tuition payment program duties. The ~~((board))~~
20 office shall consult with the governing body on the selection,
21 compensation, and other issues relating to the employment of the
22 program director. The positions are exempt from classified service
23 under chapter 41.06 RCW. The employees shall be employees of the
24 ~~((higher education coordinating board))~~ office.

25 **Sec. 170.** RCW 28B.95.030 and 2005 c 272 s 2 are each amended to
26 read as follows:

27 (1) The Washington advanced college tuition payment program shall
28 be administered by the committee on advanced tuition payment which
29 shall be chaired by the ~~((executive))~~ director of the ~~((board))~~ office.
30 The committee shall be supported by staff of the ~~((board))~~ office.

31 (2)(a) The Washington advanced college tuition payment program
32 shall consist of the sale of tuition units, which may be redeemed by
33 the beneficiary at a future date for an equal number of tuition units
34 regardless of any increase in the price of tuition, that may have
35 occurred in the interval.

1 (b) Each purchase shall be worth a specific number of or fraction
2 of tuition units at each state institution of higher education as
3 determined by the governing body.

4 (c) The number of tuition units necessary to pay for a full year's,
5 full-time undergraduate tuition and fee charges at a state institution
6 of higher education shall be set by the governing body at the time a
7 purchaser enters into a tuition unit contract.

8 (d) The governing body may limit the number of tuition units
9 purchased by any one purchaser or on behalf of any one beneficiary,
10 however, no limit may be imposed that is less than that necessary to
11 achieve four years of full-time, undergraduate tuition charges at a
12 state institution of higher education. The governing body also may, at
13 its discretion, limit the number of participants, if needed, to ensure
14 the actuarial soundness and integrity of the program.

15 (e) While the Washington advanced college tuition payment program
16 is designed to help all citizens of the state of Washington, the
17 governing body may determine residency requirements for eligible
18 purchasers and eligible beneficiaries to ensure the actuarial soundness
19 and integrity of the program.

20 (3)(a) No tuition unit may be redeemed until two years after the
21 purchase of the unit. Units may be redeemed for enrollment at any
22 institution of higher education that is recognized by the internal
23 revenue service under chapter 529 of the internal revenue code.

24 (b) Units redeemed at a nonstate institution of higher education or
25 for graduate enrollment shall be redeemed at the rate for state public
26 institutions in effect at the time of redemption.

27 (4) The governing body shall determine the conditions under which
28 the tuition benefit may be transferred to another family member. In
29 permitting such transfers, the governing body may not allow the tuition
30 benefit to be bought, sold, bartered, or otherwise exchanged for goods
31 and services by either the beneficiary or the purchaser.

32 (5) The governing body shall administer the Washington advanced
33 college tuition payment program in a manner reasonably designed to be
34 actuarially sound, such that the assets of the trust will be sufficient
35 to defray the obligations of the trust including the costs of
36 administration. The governing body may, at its discretion, discount
37 the minimum purchase price for certain kinds of purchases such as those

1 from families with young children, as long as the actuarial soundness
2 of the account is not jeopardized.

3 (6) The governing body shall annually determine current value of a
4 tuition unit.

5 (7) The governing body shall promote, advertise, and publicize the
6 Washington advanced college tuition payment program.

7 (8) In addition to any other powers conferred by this chapter, the
8 governing body may:

9 (a) Impose reasonable limits on the number of tuition units or
10 units that may be used in any one year;

11 (b) Determine and set any time limits, if necessary, for the use of
12 benefits under this chapter;

13 (c) Impose and collect administrative fees and charges in
14 connection with any transaction under this chapter;

15 (d) Appoint and use advisory committees as needed to provide
16 program direction and guidance;

17 (e) Formulate and adopt all other policies and rules necessary for
18 the efficient administration of the program;

19 (f) Consider the addition of an advanced payment program for room
20 and board contracts and also consider a college savings program;

21 (g) Purchase insurance from insurers licensed to do business in the
22 state, to provide for coverage against any loss in connection with the
23 account's property, assets, or activities or to further insure the
24 value of the tuition units;

25 (h) Make, execute, and deliver contracts, conveyances, and other
26 instruments necessary to the exercise and discharge of its powers and
27 duties under this chapter;

28 (i) Contract for the provision for all or part of the services
29 necessary for the management and operation of the program with other
30 state or nonstate entities authorized to do business in the state;

31 (j) Contract for other services or for goods needed by the
32 governing body in the conduct of its business under this chapter;

33 (k) Contract with financial consultants, actuaries, auditors, and
34 other consultants as necessary to carry out its responsibilities under
35 this chapter;

36 (l) Solicit and accept cash donations and grants from any person,
37 governmental agency, private business, or organization; and

1 (m) Perform all acts necessary and proper to carry out the duties
2 and responsibilities of this program under this chapter.

3 **Sec. 171.** RCW 28B.95.040 and 1997 c 289 s 4 are each amended to
4 read as follows:

5 The governing body may, at its discretion, allow an organization to
6 purchase tuition units for future use as scholarships. Such
7 organizations electing to purchase tuition units for this purpose must
8 enter into a contract with the governing body which, at a minimum,
9 ensures that the scholarship shall be freely given by the purchaser to
10 a scholarship recipient. For such purchases, the purchaser need not
11 name a beneficiary until four months before the date when the tuition
12 units are first expected to be used.

13 The governing body shall formulate and adopt such rules as are
14 necessary to determine which organizations may qualify to purchase
15 tuition units for scholarships under this section. The governing body
16 also may consider additional rules for the use of tuition units if
17 purchased as scholarships.

18 The governing body may establish a scholarship fund with moneys
19 from the Washington advanced college tuition payment program account.
20 A scholarship fund established under this authority shall be
21 administered by the (~~higher education coordinating board~~) office and
22 shall be provided to students who demonstrate financial need.
23 Financial need is not a criterion that any other organization need
24 consider when using tuition units as scholarships. The (~~board~~)
25 office also may establish its own corporate-sponsored scholarship fund
26 under this chapter.

27 **Sec. 172.** RCW 28B.95.060 and 2007 c 214 s 13 are each amended to
28 read as follows:

29 (1) The Washington advanced college tuition payment program account
30 is created in the custody of the state treasurer. The account shall be
31 a discrete nontreasury account retaining its interest earnings in
32 accordance with RCW 43.79A.040.

33 (2)(a) Except as provided in (b) of this subsection, the governing
34 body shall deposit in the account all money received for the program.
35 The account shall be self-sustaining and consist of payments received
36 from purchasers of tuition units and funds received from other sources,

1 public or private. With the exception of investment and operating
2 costs associated with the investment of money by the investment board
3 paid under RCW 43.33A.160 and 43.84.160, the account shall be credited
4 with all investment income earned by the account. Disbursements from
5 the account are exempt from appropriations and the allotment provisions
6 of chapter 43.88 RCW. Money used for program administration is subject
7 to the allotment of all expenditures. However, an appropriation is not
8 required for such expenditures. Program administration shall include,
9 but not be limited to: The salaries and expenses of the program
10 personnel including lease payments, travel, and goods and services
11 necessary for program operation; contracts for program promotion and
12 advertisement, audits, and account management; and other general costs
13 of conducting the business of the program.

14 (b) All money received by the program from the (~~higher education~~
15 ~~coordinating board~~) office for the GET ready for math and science
16 scholarship program shall be deposited in the GET ready for math and
17 science scholarship account created in RCW 28B.105.110.

18 (3) The assets of the account may be spent without appropriation
19 for the purpose of making payments to institutions of higher education
20 on behalf of the qualified beneficiaries, making refunds, transfers, or
21 direct payments upon the termination of the Washington advanced college
22 tuition payment program. Disbursements from the account shall be made
23 only on the authorization of the governing body.

24 (4) With regard to the assets of the account, the state acts in a
25 fiduciary, not ownership, capacity. Therefore the assets of the
26 program are not considered state money, common cash, or revenue to the
27 state.

28 **Sec. 173.** RCW 28B.95.160 and 2007 c 214 s 12 are each amended to
29 read as follows:

30 Ownership of tuition units purchased by the (~~higher education~~
31 ~~coordinating board~~) office for the GET ready for math and science
32 scholarship program under RCW 28B.105.070 shall be in the name of the
33 state of Washington and may be redeemed by the state of Washington on
34 behalf of recipients of GET ready for math and science scholarship
35 program scholarships for tuition and fees.

1 **Sec. 174.** RCW 28B.97.010 and 2009 c 215 s 13 are each amended to
2 read as follows:

3 (1) The Washington higher education loan program is created. The
4 program is created to assist students in need of additional low-cost
5 student loans and related loan benefits.

6 (2) The program shall be administered by the (~~board~~) office. In
7 administering the program, the (~~board~~) office must:

8 (a) Periodically assess the needs and target the benefits to
9 selected students;

10 (b) Devise a program to address the following issues related to
11 loans:

12 (i) Issuance of low-interest educational loans;

13 (ii) Determining loan repayment obligations and options;

14 (iii) Borrowing educational loans at low interest rates;

15 (iv) Developing conditional loans that can be forgiven in exchange
16 for service; and

17 (v) Creating an emergency loan fund to help students until other
18 state and federal long-term financing can be secured;

19 (c) Accept public and private contributions;

20 (d) Publicize the program; and

21 (e) Work with public and private colleges and universities, the
22 state board for community and technical colleges, the workforce
23 training and education coordinating board, and with students, to
24 conduct periodic assessment of program needs. The (~~board~~) office may
25 also consult with other groups and individuals as needed.

26 **Sec. 175.** RCW 28B.97.020 and 2009 c 215 s 14 are each amended to
27 read as follows:

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

30 (1) (~~"Board" means the higher education coordinating board.~~

31 ~~(2)~~) "Institution of higher education" means a college or
32 university in the state of Washington that is accredited by an
33 accrediting association recognized as such by rule of the board.

34 (2) "Office" means the office of student financial assistance.

35 (3) "Program" means the Washington higher education loan program.

36 (4) "Resident student" has the definition in RCW 28B.15.012(2) (a)
37 through (d).

1 **Sec. 176.** RCW 28B.102.020 and 2004 c 58 s 2 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Conditional scholarship" means a loan that is forgiven in
6 whole or in part if the recipient renders service as a teacher in an
7 approved education program in this state.

8 (2) "Institution of higher education" or "institution" means a
9 college or university in the state of Washington that is accredited by
10 an accrediting association recognized as such by rule of the council
11 for higher education (~~(coordinating board)~~).

12 (3) (~~("Board")~~) "Office" means the (~~(higher education coordinating~~
13 ~~board)~~) office of student financial assistance.

14 (4) "Eligible student" means a student who is registered for at
15 least six credit hours or the equivalent, demonstrates high academic
16 achievement, is a resident student as defined by RCW 28B.15.012 and
17 28B.15.013, and has a declared intention to complete an approved
18 preparation program leading to initial teacher certification or
19 required for earning an additional endorsement, and commits to teaching
20 service in the state of Washington.

21 (5) "Public school" means an elementary school, a middle school,
22 junior high school, or high school within the public school system
23 referred to in Article IX of the state Constitution.

24 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
25 service as a teacher in an approved education program in the state of
26 Washington in lieu of monetary repayment.

27 (7) "Satisfied" means paid-in-full.

28 (8) "Participant" means an eligible student who has received a
29 conditional scholarship or loan repayment under this chapter.

30 (9) "Loan repayment" means a federal student loan that is repaid in
31 whole or in part if the recipient renders service as a teacher in an
32 approved education program in Washington state.

33 (10) "Approved education program" means an education program in the
34 state of Washington for knowledge and skills generally learned in
35 preschool through twelfth grade. Approved education programs may
36 include but are not limited to:

37 (a) K-12 schools under Title 28A RCW; or

1 (b) Other K-12 educational sites in the state of Washington as
2 designated by the board.

3 (11) "Equalization fee" means the additional amount added to the
4 principal of a loan under this chapter to equate the debt to that which
5 the student would have incurred if the loan had been received through
6 the federal subsidized Stafford student loan program.

7 (12) "Teacher shortage area" means a shortage of elementary or
8 secondary school teachers in a specific subject area, discipline,
9 classification, or geographic area as defined by the office of the
10 superintendent of public instruction.

11 **Sec. 177.** RCW 28B.102.030 and 2004 c 58 s 3 are each amended to
12 read as follows:

13 The future teachers conditional scholarship and loan repayment
14 program is established. The program shall be administered by the
15 (~~higher education coordinating board~~) office. In administering the
16 program, the board shall have the following powers and duties:

17 (1) Select students to receive conditional scholarships or loan
18 repayments;

19 (2) Adopt necessary rules and guidelines;

20 (3) Publicize the program;

21 (4) Collect and manage repayments from students who do not meet
22 their teaching obligations under this chapter; and

23 (5) Solicit and accept grants and donations from public and private
24 sources for the program.

25 **Sec. 178.** RCW 28B.102.040 and 2008 c 170 s 306 are each amended to
26 read as follows:

27 (1) The (~~board~~) office may select participants based on an
28 application process conducted by the (~~board~~) office or the (~~board~~)
29 office may utilize selection processes for similar students in
30 cooperation with the professional educator standards board or the
31 office of the superintendent of public instruction.

32 (2) If the (~~board~~) office selects participants for the program,
33 it shall establish a selection committee for screening and selecting
34 recipients of the conditional scholarships. The criteria shall
35 emphasize factors demonstrating excellence including but not limited to
36 superior scholastic achievement, leadership ability, community

1 contributions, bilingual ability, willingness to commit to providing
2 teaching service in shortage areas, and an ability to act as a role
3 model for students. Priority will be given to individuals seeking
4 certification or an additional endorsement in math, science, technology
5 education, agricultural education, business and marketing education,
6 family and consumer science education, or special education.

7 **Sec. 179.** RCW 28B.102.050 and 2004 c 58 s 6 are each amended to
8 read as follows:

9 The ((~~board~~)) office may award conditional scholarships or provide
10 loan repayments to eligible participants from the funds appropriated to
11 the ((~~board~~)) office for this purpose, or from any private donations,
12 or any other funds given to the ((~~board~~)) office for this program. The
13 amount of the conditional scholarship or loan repayment awarded an
14 individual shall not exceed the amount of tuition and fees at the
15 institution of higher education attended by the participant or resident
16 undergraduate tuition and fees at the University of Washington per
17 academic year for a full-time student, whichever is lower.
18 Participants are eligible to receive conditional scholarships or loan
19 repayments for a maximum of five years.

20 **Sec. 180.** RCW 28B.102.055 and 2004 c 58 s 8 are each amended to
21 read as follows:

22 (1) Upon documentation of federal student loan indebtedness, the
23 ((~~board~~)) office may enter into agreements with participants to repay
24 all or part of a federal student loan in exchange for teaching service
25 in an approved educational program. The ratio of loan repayment to
26 years of teaching service for the loan repayment program shall be the
27 same as established for the conditional scholarship program.

28 (2) The agreement shall specify the period of time it is in effect
29 and detail the obligations of the ((~~board~~)) office and the participant,
30 including the amount to be paid to the participant. The agreement may
31 also specify the geographic location and subject matter area of
32 teaching service for which loan repayment will be provided.

33 (3) At the end of each school year, a participant under this
34 section shall provide evidence to the ((~~board~~)) office that the
35 requisite teaching service has been provided. Upon receipt of the
36 evidence, the ((~~board~~)) office shall pay the participant the agreed-

1 upon amount for one year of full-time teaching service or a prorated
2 amount for less than full-time teaching service. To qualify for
3 additional loan repayments, the participant must be engaged in
4 continuous teaching service as defined by the ((~~board~~)) office.

5 (4) The ((~~board~~)) office may, at its discretion, arrange to make
6 the loan repayment directly to the holder of the participant's federal
7 student loan.

8 (5) The ((~~board's~~)) office's obligations to a participant under
9 this section shall cease when:

10 (a) The terms of the agreement have been fulfilled;

11 (b) The participant fails to maintain continuous teaching service
12 as determined by the ((~~board~~)) office; or

13 (c) All of the participant's federal student loans have been
14 repaid.

15 (6) The ((~~board~~)) office shall adopt rules governing loan
16 repayments, including approved leaves of absence from continuous
17 teaching service and other deferments as may be necessary.

18 **Sec. 181.** RCW 28B.102.060 and 2011 c 26 s 4 are each amended to
19 read as follows:

20 (1) Participants in the conditional scholarship program incur an
21 obligation to repay the conditional scholarship, with interest and an
22 equalization fee, unless they teach for two years in an approved
23 education program for each year of scholarship received, under rules
24 adopted by the ((~~board~~)) office. Participants who teach in a
25 designated teacher shortage area shall have one year of loan canceled
26 for each year they teach in the shortage area.

27 (2) The interest rate shall be determined by the ((~~board~~)) office.
28 Participants who fail to complete the teaching service shall incur an
29 equalization fee based on the remaining unforgiven balance of the loan.
30 The equalization fee shall be added to the remaining balance and repaid
31 by the participant.

32 (3) The minimum payment shall be set by the ((~~board~~)) office. The
33 maximum period for repayment shall be ten years, with payments of
34 principal and interest commencing six months from the date the
35 participant completes or discontinues the course of study. The
36 interest rate shall be determined by the ((~~board~~)) office and be

1 established by rule. Provisions for deferral of payment shall be
2 determined by the ((~~board~~)) office. The ((~~board~~)) office shall
3 establish an appeal process by rule.

4 (4) The entire principal and interest of each payment shall be
5 forgiven for each payment period in which the participant teaches in an
6 approved education program until the entire repayment obligation is
7 satisfied. Should the participant cease to teach in an approved
8 education program in this state before the participant's repayment
9 obligation is completed, payments on the unsatisfied portion of the
10 principal and interest shall begin the next payment period and continue
11 until the remainder of the participant's repayment obligation is
12 satisfied.

13 (5) The ((~~board~~)) office is responsible for collection of
14 repayments made under this section and shall exercise due diligence in
15 such collection, maintaining all necessary records to insure that
16 maximum repayments are made. Collection and servicing of repayments
17 under this section shall be pursued using the full extent of the law,
18 including wage garnishment if necessary. The ((~~board~~)) office is
19 responsible to forgive all or parts of such repayments under the
20 criteria established in this section and shall maintain all necessary
21 records of forgiven payments.

22 (6) Receipts from the payment of principal or interest or any other
23 subsidies to which the ((~~board~~)) office as administrator is entitled,
24 which are paid by or on behalf of participants under this section,
25 shall be deposited in the future teachers conditional scholarship
26 account and shall be used to cover the costs of granting the
27 conditional scholarships, maintaining necessary records, and making
28 collections under subsection (5) of this section. The ((~~board~~)) office
29 shall maintain accurate records of these costs, and all receipts beyond
30 those necessary to pay such costs shall be used to grant conditional
31 scholarships to eligible students.

32 (7) The ((~~board~~)) office shall adopt rules to define the terms of
33 repayment, including applicable interest rates, fees, and deferments.

34 **Sec. 182.** RCW 28B.102.080 and 2010 1st sp.s. c 37 s 917 are each
35 amended to read as follows:

36 (1) The future teachers conditional scholarship account is created
37 in the custody of the state treasurer. An appropriation is not

1 required for expenditures of funds from the account. The account is
2 not subject to allotment procedures under chapter 43.88 RCW except for
3 moneys used for program administration.

4 (2) The ((~~board~~)) office shall deposit in the account all moneys
5 received for the future teachers conditional scholarship and loan
6 repayment program and for conditional loan programs under chapter
7 28A.660 RCW. The account shall be self-sustaining and consist of funds
8 appropriated by the legislature for the future teachers conditional
9 scholarship and loan repayment program, private contributions to the
10 program, receipts from participant repayments from the future teachers
11 conditional scholarship and loan repayment program, and conditional
12 loan programs established under chapter 28A.660 RCW. Beginning July 1,
13 2004, the ((~~board~~)) office shall also deposit into the account: (a)
14 All funds from the institution of higher education loan account that
15 are traceable to any conditional scholarship program for teachers or
16 prospective teachers established by the legislature before June 10,
17 2004; and (b) all amounts repaid by individuals under any such program.

18 (3) Expenditures from the account may be used solely for
19 conditional loans and loan repayments to participants in the future
20 teachers conditional scholarship and loan repayment program established
21 by this chapter, conditional scholarships for participants in programs
22 established in chapter 28A.660 RCW, and costs associated with program
23 administration by the ((~~board~~)) office.

24 (4) Disbursements from the account may be made only on the
25 authorization of the ((~~board~~)) office.

26 (5) During the 2009-2011 fiscal biennium, the legislature may
27 transfer from the future teachers conditional scholarship account to
28 the state general fund such amounts as reflect the excess fund balance
29 of the account.

30 **Sec. 183.** RCW 28B.105.020 and 2007 c 214 s 2 are each amended to
31 read as follows:

32 The definitions in this section apply throughout this chapter
33 unless the context clearly requires otherwise.

34 (1) (~~"Board" means the higher education coordinating board.~~
35 ~~(2)~~) "GET units" means tuition units under the advanced college
36 tuition payment program in chapter 28B.95 RCW.

1 (~~(3)~~) (2) "Institution of higher education" has the same meaning
2 as in RCW 28B.92.030.

3 (3) "Office" means the office of student financial assistance.

4 (4) "Program administrator" means the private nonprofit corporation
5 that is registered under Title 24 RCW and qualified as a tax-exempt
6 entity under section 501(c)(3) of the federal internal revenue code,
7 that will serve as the private partner in the public-private
8 partnership under this chapter.

9 (5) "Qualified program" or "qualified major" means a mathematics,
10 science, or related degree program or major line of study offered by an
11 institution of higher education that is included on the list of
12 programs or majors selected by the board and the program administrator
13 under RCW 28B.105.100.

14 **Sec. 184.** RCW 28B.105.040 and 2007 c 214 s 4 are each amended to
15 read as follows:

16 (1) If the student enrolls in a qualified program or declares a
17 qualified major and the program or major is subsequently removed from
18 the list of qualified programs and qualified majors by the (~~board~~)
19 office and the program administrator, the student's eligibility to
20 receive a GET ready for math and science scholarship shall not be
21 affected.

22 (2) If a student who received a GET ready for math and science
23 scholarship ceases to be enrolled in an institution of higher
24 education, withdraws or is no longer enrolled in a qualified program,
25 declares a major that is not a qualified major, or otherwise is no
26 longer eligible to receive a GET ready for math and science
27 scholarship, the student shall notify the program administrator as soon
28 as practicable and is not eligible for further GET ready for math and
29 science scholarship awards. Such a student shall also repay the amount
30 of the GET ready for math and science scholarship awarded to the
31 student as required by RCW 28B.105.050.

32 **Sec. 185.** RCW 28B.105.050 and 2007 c 214 s 5 are each amended to
33 read as follows:

34 (1) A recipient of a GET ready for math and science scholarship
35 incurs an obligation to repay the scholarship, with interest and an
36 equalization fee, if he or she does not:

1 (a) Graduate with a bachelor's degree from a qualified program or
2 in a qualified major within five years of first enrolling at an
3 institution of higher education; and

4 (b) Work in Washington in a mathematics, science, or related
5 occupation full time for at least three years following completion of
6 a bachelor's degree, unless he or she is enrolled in a graduate degree
7 program as provided in subsection (4) of this section.

8 (2) A former scholarship recipient who has earned a bachelor's
9 degree shall annually verify to the ((~~board~~)) office that he or she is
10 working full time in a mathematics, science, or related field for three
11 years.

12 (3) If a former scholarship recipient begins but then stops working
13 full time in a mathematics, science, or related field within three
14 years following completion of a bachelor's degree, he or she shall pay
15 back a prorated portion of the amount of the GET ready for math and
16 science scholarship award received by the recipient, plus interest and
17 a prorated equalization fee.

18 (4) A recipient may postpone for up to three years his or her in-
19 state work obligation if he or she enrolls full time in a graduate
20 degree program in mathematics, science, or a related field.

21 **Sec. 186.** RCW 28B.105.070 and 2007 c 214 s 7 are each amended to
22 read as follows:

23 The ((~~board~~)) office shall:

24 (1) Purchase GET units to be owned and held in trust by the
25 ((~~board~~)) office, for the purpose of scholarship awards as provided for
26 in this section;

27 (2) Distribute scholarship funds, in the form of GET units or
28 through direct payments from the GET ready for math and science
29 scholarship account, to institutions of higher education on behalf of
30 eligible recipients identified by the program administrator;

31 (3) Provide the program administrator with annual reports regarding
32 enrollment, contact, and graduation information of GET ready for math
33 and science scholarship recipients, if the recipients have given
34 permission for the ((~~board~~)) office to do so;

35 (4) Collect repayments from former scholarship recipients who do
36 not meet the eligibility criteria or work obligations;

1 (5) Establish rules for scholarship repayment, approved leaves of
2 absence, deferments, and exceptions to recognize extenuating
3 circumstances that may impact students; and

4 (6) Provide information to school districts in Washington, at least
5 once per year, about the GET ready for math and science scholarship
6 program.

7 **Sec. 187.** RCW 28B.105.100 and 2007 c 214 s 10 are each amended to
8 read as follows:

9 The ((~~board~~)) office and the program administrator shall jointly:

10 (1) Determine criteria for qualifying undergraduate programs,
11 majors, and courses leading to a bachelor's degree in mathematics,
12 science, or a related field, offered by institutions of higher
13 education. The ((~~board~~)) office shall publish the criteria for
14 qualified courses, and lists of qualified programs and qualified
15 majors, on its web site on a biennial basis; and

16 (2) Establish criteria for selecting among eligible applicants
17 those who, without scholarship assistance, would be least likely to
18 pursue a qualified undergraduate program at an institution of higher
19 education in Washington state.

20 **Sec. 188.** RCW 28B.105.110 and 2010 1st sp.s. c 37 s 918 are each
21 amended to read as follows:

22 (1) The GET ready for math and science scholarship account is
23 created in the custody of the state treasurer.

24 (2) The ((~~board~~)) office shall deposit into the account all money
25 received for the GET ready for math and science scholarship program
26 from appropriations and private sources. The account shall be
27 self-sustaining.

28 (3) Expenditures from the account shall be used for scholarships to
29 eligible students and for purchases of GET units. Purchased GET units
30 shall be owned and held in trust by the ((~~board~~)) office. Expenditures
31 from the account shall be an equal match of state appropriations and
32 private funds raised by the program administrator. During the 2009-
33 2011 fiscal biennium, expenditures from the account not to exceed five
34 percent may be used by the program administrator to carry out the
35 provisions of RCW 28B.105.090.

1 (4) With the exception of the operating costs associated with the
2 management of the account by the treasurer's office as authorized in
3 chapter 43.79A RCW, the account shall be credited with all investment
4 income earned by the account.

5 (5) Disbursements from the account are exempt from appropriations
6 and the allotment provisions of chapter 43.88 RCW.

7 (6) Disbursements from the account shall be made only on the
8 authorization of the ((board)) office.

9 (~~(7) ((During the 2007-2009 fiscal biennium, the legislature may
10 transfer state appropriations to the GET ready for math and science
11 scholarship account that have not been matched by private contributions
12 to the state general fund.~~

13 (+8)) During the 2009-2011 fiscal biennium, the legislature may
14 transfer from the GET ready for math and science scholarship account to
15 the state general fund such amounts as have not been donated from or
16 matched by private contributions.

17 **Sec. 189.** RCW 28B.106.010 and 1988 c 125 s 9 are each amended to
18 read as follows:

19 The following definitions shall apply throughout this chapter,
20 unless the context clearly indicates otherwise:

21 (1) "College savings bonds" or "bonds" are Washington state general
22 obligation bonds, issued under the authority of and in accordance with
23 this chapter.

24 (2) (("Board")) "Office" means the ((higher education coordinating
25 board)) office of student financial assistance, or any successor
26 thereto.

27 **Sec. 190.** RCW 28B.106.070 and 1988 c 125 s 16 are each amended to
28 read as follows:

29 The ((board)) office and the state finance committee shall create
30 and implement marketing strategies and educational programs designed to
31 publicize the college savings bond program to Washington residents.

32 **Sec. 191.** RCW 28B.108.010 and 2004 c 275 s 69 are each amended to
33 read as follows:

34 Unless the context clearly requires otherwise, the definitions in
35 this section apply throughout this chapter.

1 (1) "Institution of higher education" or "institution" means a
2 college or university in the state of Washington which is accredited by
3 an accrediting association recognized as such by rule of the council
4 for higher education (~~(coordinating board)~~).

5 (2) (~~("Board")~~) "Office" means the (~~(higher education coordinating~~
6 ~~board)~~) office of student financial assistance.

7 (3) "Eligible student" or "student" means an American Indian who is
8 a financially needy student, as defined in RCW 28B.92.030, who is a
9 resident student, as defined by RCW 28B.15.012(2), who is a full-time
10 student at an institution of higher education, and who promises to use
11 his or her education to benefit other American Indians.

12 **Sec. 192.** RCW 28B.108.020 and 2009 c 259 s 1 are each amended to
13 read as follows:

14 The American Indian endowed scholarship program is created. The
15 program shall be administered by the (~~(higher education coordinating~~
16 ~~board)~~) office. In administering the program, the board's powers and
17 duties shall include but not be limited to:

18 (1) Selecting students to receive scholarships, with the assistance
19 of a screening committee composed of persons involved in helping
20 American Indian students to obtain a higher education. The membership
21 of the committee may include, but is not limited to representatives of:
22 Indian tribes, urban Indians, the governor's office of Indian affairs,
23 the Washington state Indian education association, and institutions of
24 higher education;

25 (2) Adopting necessary rules and guidelines;

26 (3) Publicizing the program;

27 (4) Accepting and depositing donations into the endowment fund
28 created in RCW 28B.108.060;

29 (5) Requesting from the state investment board and accepting from
30 the state treasurer moneys earned from the endowment fund created in
31 RCW 28B.108.060;

32 (6) Soliciting and accepting grants and donations from public and
33 private sources for the program; and

34 (7) Naming scholarships in honor of those American Indians from
35 Washington who have acted as role models.

1 **Sec. 193.** RCW 28B.108.030 and 1991 c 228 s 11 are each amended to
2 read as follows:

3 The (~~higher education coordinating board~~) office shall establish
4 an advisory committee to assist in program design and to develop
5 criteria for the screening and selection of scholarship recipients.
6 The committee shall be composed of representatives of the same groups
7 as the screening committee described in RCW 28B.108.020. The criteria
8 shall assess the student's social and cultural ties to an American
9 Indian community within the state. The criteria shall include a
10 priority for upper-division or graduate students. The criteria may
11 include a priority for students who are majoring in program areas in
12 which expertise is needed by the state's American Indians.

13 **Sec. 194.** RCW 28B.108.060 and 2009 c 259 s 2 are each amended to
14 read as follows:

15 The American Indian scholarship endowment fund is created in the
16 custody of the state treasurer. The investment of the endowment fund
17 shall be managed by the state investment board. Funds appropriated by
18 the legislature for the endowment fund must be deposited into the fund.

19 (1) Moneys received from the (~~higher education coordinating~~
20 ~~board~~) office, private donations, state moneys, and funds received
21 from any other source may be deposited into the endowment fund.
22 Private moneys received as a gift subject to conditions may be
23 deposited into the fund.

24 (2) At the request of the (~~higher education coordinating board~~)
25 office, the state investment board shall release earnings from the
26 endowment fund to the state treasurer. The state treasurer shall then
27 release those funds at the request of the (~~higher education~~
28 ~~coordinating board~~) office for scholarships. No appropriation is
29 required for expenditures from the endowment fund.

30 (3) When notified by the (~~higher education coordinating board~~)
31 office that a condition attached to a gift of private moneys in the
32 fund has failed, the state investment board shall release those moneys
33 to the (~~higher education coordinating board~~) office. The (~~higher~~
34 ~~education coordinating board~~) office shall then release the moneys to
35 the donors according to the terms of the conditional gift.

36 (4) The principal of the endowment fund shall not be invaded. The

1 release of moneys under subsection (3) of this section shall not
2 constitute an invasion of corpus.

3 (5) The earnings on the fund shall be used solely for the purposes
4 set forth in RCW 28B.108.040, except when the terms of a conditional
5 gift of private moneys in the fund require that a portion of earnings
6 on such moneys be reinvested in the fund.

7 **Sec. 195.** RCW 28B.109.010 and 1996 c 253 s 401 are each amended to
8 read as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout this chapter.

11 (1) (~~("Board" means the higher education coordinating board.~~
12 ~~(2))~~) "Eligible participant" means an international student whose
13 country of residence has a trade relationship with the state of
14 Washington.

15 (~~(3)~~) (2) "Institution of higher education" or "institution"
16 means a college or university in the state of Washington that is
17 accredited by an accrediting association recognized as such by rule of
18 the board.

19 (3) "Office" means the office of student financial assistance.

20 (4) "Service obligation" means volunteering for a minimum number of
21 hours as established by the board based on the amount of scholarship
22 award, to speak to or teach groups of Washington citizens, including
23 but not limited to elementary, middle, and high schools, service clubs,
24 and universities.

25 (5) "Washington international exchange scholarship program" means
26 a scholarship award for a period not to exceed one academic year to
27 attend a Washington institution of higher education made to an
28 international student whose country has an established trade
29 relationship with Washington.

30 **Sec. 196.** RCW 28B.109.020 and 1996 c 253 s 402 are each amended to
31 read as follows:

32 The Washington international exchange scholarship program is
33 created subject to funding under RCW 28B.109.060. The program shall be
34 administered by the (~~board~~) office. In administering the program,
35 the (~~board~~) office may:

1 (1) Convene an advisory committee that may include but need not be
2 limited to representatives of the office of the superintendent of
3 public instruction, the department of (~~community, trade, and economic~~
4 ~~development~~) commerce, the secretary of state, private business, and
5 institutions of higher education;

6 (2) Select students to receive the scholarship with the assistance
7 of a screening committee composed of leaders in business, international
8 trade, and education;

9 (3) Adopt necessary rules and guidelines including rules for
10 disbursing scholarship funds to participants;

11 (4) Publicize the program;

12 (5) Solicit and accept grants and donations from public and private
13 sources for the program;

14 (6) Establish and notify participants of service obligations; and

15 (7) Establish a formula for selecting the countries from which
16 participants may be selected in consultation with the *department of
17 community, trade, and economic development.

18 **Sec. 197.** RCW 28B.109.030 and 1996 c 253 s 403 are each amended to
19 read as follows:

20 The (~~board~~) office may negotiate and enter into a reciprocal
21 agreement with foreign countries that have international students
22 attending institutions in Washington. The goal of the reciprocal
23 agreements shall be to allow Washington students enrolled in an
24 institution of higher education to attend an international institution
25 under similar terms and conditions.

26 **Sec. 198.** RCW 28B.109.040 and 1996 c 253 s 404 are each amended to
27 read as follows:

28 If funds are available, the (~~board~~) office shall select students
29 yearly to receive a Washington international exchange student
30 scholarship from moneys earned from the Washington international
31 exchange scholarship endowment fund created in RCW 28B.109.060, from
32 funds appropriated to the (~~board~~) office for this purpose, or from
33 any private donations, or from any other funds given to the (~~board~~)
34 office for this program.

1 **Sec. 199.** RCW 28B.109.050 and 1996 c 253 s 405 are each amended to
2 read as follows:

3 The Washington international exchange trust fund is established in
4 the custody of the state treasurer. Any funds appropriated by the
5 legislature for the trust fund shall be deposited into the fund. At
6 the request of the ((~~board~~)) office, and when conditions set forth in
7 RCW 28B.109.070 are met, the treasurer shall deposit state matching
8 moneys from the Washington international exchange trust fund into the
9 Washington international exchange scholarship endowment fund. No
10 appropriation is required for expenditures from the trust fund.

11 **Sec. 200.** RCW 28B.109.060 and 1996 c 253 s 406 are each amended to
12 read as follows:

13 The Washington international exchange scholarship endowment fund is
14 established in the custody of the state treasurer. Moneys received
15 from the private donations and funds received from any other source may
16 be deposited into the endowment fund. At the request of the ((~~board~~))
17 office, the treasurer shall release earnings from the endowment fund to
18 the ((~~board~~)) office for scholarships. No appropriation is required
19 for expenditures from the endowment fund. The principal of the
20 endowment fund shall not be invaded. The earnings on the fund shall be
21 used solely for the purposes in this chapter.

22 **Sec. 201.** RCW 28B.109.070 and 1996 c 253 s 407 are each amended to
23 read as follows:

24 The ((~~board~~)) office may request that the treasurer deposit state
25 matching funds into the Washington international exchange scholarship
26 endowment fund when the ((~~board~~)) office can match the state funds with
27 an equal amount of private cash donations, including conditional gifts.

28 **Sec. 202.** RCW 28B.109.080 and 1996 c 253 s 408 are each amended to
29 read as follows:

30 Each Washington international exchange scholarship recipient shall
31 agree to complete the service obligation as defined by the ((~~board~~))
32 office.

33 **Sec. 203.** RCW 28B.110.040 and 1997 c 5 s 5 are each amended to
34 read as follows:

1 The executive director of the higher education coordinating board,
2 in consultation with the council of presidents and the state board for
3 community and technical colleges, shall monitor the compliance by
4 institutions of higher education with this chapter.

5 (1) The board shall establish a timetable and guidelines for
6 compliance with this chapter.

7 (2) By November 30, 1990, each institution shall submit to the
8 board for approval a plan to comply with the requirements of RCW
9 28B.110.030. The plan shall contain measures to ensure institutional
10 compliance with the provisions of this chapter by September 30, 1994.
11 If participation in activities, such as intercollegiate athletics and
12 matriculation in academic programs is not proportionate to the
13 percentages of male and female enrollment, the plan should outline
14 efforts to identify barriers to equal participation and to encourage
15 gender equity in all aspects of college and university life.

16 ~~(3) ((The board shall report every four years, beginning December
17 31, 1998, to the governor and the higher education committees of the
18 house of representatives and the senate on institutional efforts to
19 comply with this chapter. The report shall include recommendations on
20 measures to assist institutions with compliance. This report may be
21 combined with the report required in RCW 28B.15.465.~~

22 ~~(4))~~ The board may delegate to the state board for community and
23 technical colleges any or all responsibility for community college
24 compliance with the provisions of this chapter.

25 **Sec. 204.** RCW 28B.115.020 and 2011 c 26 s 1 are each amended to
26 read as follows:

27 Unless the context clearly requires otherwise, the definitions in
28 this section apply throughout this chapter.

29 (1) (~~("Board")~~) "Office" means the (~~(higher education coordinating
30 board)~~) office of student financial assistance.

31 (2) "Department" means the state department of health.

32 (3) "Eligible education and training programs" means education and
33 training programs approved by the department that lead to eligibility
34 for a credential as a credentialed health care professional.

35 (4) "Eligible expenses" means reasonable expenses associated with
36 the costs of acquiring an education such as tuition, books, equipment,

1 fees, room and board, and other expenses determined by the ((board))
2 office.

3 (5) "Eligible student" means a student who has been accepted into
4 an eligible education or training program and has a declared intention
5 to serve in a health professional shortage area upon completion of the
6 education or training program.

7 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
8 health care services in a health professional shortage area in the
9 state of Washington in lieu of monetary repayment.

10 (7) "Health professional shortage areas" means those areas where
11 credentialed health care professionals are in short supply as a result
12 of geographic maldistribution or as the result of a short supply of
13 credentialed health care professionals in specialty health care areas
14 and where vacancies exist in serious numbers that jeopardize patient
15 care and pose a threat to the public health and safety. The department
16 shall determine health professional shortage areas as provided for in
17 RCW 28B.115.070. In making health professional shortage area
18 designations in the state the department may be guided by applicable
19 federal standards for "health manpower shortage areas," and "medically
20 underserved areas," and "medically underserved populations."

21 (8) "Credentialed health care profession" means a health care
22 profession regulated by a disciplining authority in the state of
23 Washington under RCW 18.130.040 or by the state board of pharmacy under
24 chapter 18.64 RCW and designated by the department in RCW 28B.115.070
25 as a profession having shortages of credentialed health care
26 professionals in the state.

27 (9) "Credentialed health care professional" means a person
28 regulated by a disciplining authority in the state of Washington to
29 practice a health care profession under RCW 18.130.040 or by the state
30 board of pharmacy under chapter 18.64 RCW.

31 (10) "Loan repayment" means a loan that is paid in full or in part
32 if the participant renders health care services in a health
33 professional shortage area as defined by the department.

34 (11) "Nonshortage rural area" means a nonurban area of the state of
35 Washington that has not been designated as a rural physician shortage
36 area. The department shall identify the nonshortage rural areas of the
37 state.

1 (12) "Participant" means a credentialed health care professional
2 who has received a loan repayment award and has commenced practice as
3 a credentialed health care provider in a designated health professional
4 shortage area or an eligible student who has received a scholarship
5 under this program.

6 (13) "Program" means the health professional loan repayment and
7 scholarship program.

8 (14) "Required service obligation" means an obligation by the
9 participant to provide health care services in a health professional
10 shortage area for a period to be established as provided for in this
11 chapter.

12 (15) "Rural physician shortage area" means rural geographic areas
13 where primary care physicians are in short supply as a result of
14 geographic maldistributions and where their limited numbers jeopardize
15 patient care and pose a threat to public health and safety. The
16 department shall designate rural physician shortage areas.

17 (16) "Satisfied" means paid-in-full.

18 (17) "Scholarship" means a loan that is forgiven in whole or in
19 part if the recipient renders health care services in a health
20 professional shortage area.

21 (18) "Sponsoring community" means a rural hospital or hospitals as
22 authorized in chapter 70.41 RCW, a rural health care facility or
23 facilities as authorized in chapter 70.175 RCW, or a city or county
24 government or governments.

25 **Sec. 205.** RCW 28B.115.030 and 1991 c 332 s 16 are each amended to
26 read as follows:

27 The health professional loan repayment and scholarship program is
28 established for credentialed health professionals serving in health
29 professional shortage areas. The program shall be administered by the
30 (~~higher education coordinating board~~) office. In (~~administrating~~)
31 administering this program, the (~~board~~) office shall:

32 (1) Select credentialed health care professionals to participate in
33 the loan repayment portion of the loan repayment and scholarship
34 program and select eligible students to participate in the scholarship
35 portion of the loan repayment and scholarship program;

36 (2) Adopt rules and develop guidelines to administer the program;

1 (3) Collect and manage repayments from participants who do not meet
2 their service obligations under this chapter;

3 (4) Publicize the program, particularly to maximize participation
4 among individuals in shortage areas and among populations expected to
5 experience the greatest growth in the workforce;

6 (5) Solicit and accept grants and donations from public and private
7 sources for the program; and

8 (6) Develop criteria for a contract for service in lieu of the
9 service obligation where appropriate, that may be a combination of
10 service and payment.

11 **Sec. 206.** RCW 28B.115.050 and 2004 c 275 s 70 are each amended to
12 read as follows:

13 The ((~~board~~)) office shall establish a planning committee to assist
14 it in developing criteria for the selection of participants. The
15 ((~~board~~)) office shall include on the planning committee
16 representatives of the department, the department of social and health
17 services, appropriate representatives from health care facilities,
18 provider groups, consumers, the state board for community and technical
19 colleges, the superintendent of public instruction, and other
20 appropriate public and private agencies and organizations. The
21 criteria may require that some of the participants meet the definition
22 of "needy student" under RCW 28B.92.030.

23 **Sec. 207.** RCW 28B.115.070 and 2003 c 278 s 3 are each amended to
24 read as follows:

25 After June 1, 1992, the department, in consultation with the
26 ((~~board~~)) office and the department of social and health services,
27 shall:

28 (1) Determine eligible credentialed health care professions for the
29 purposes of the loan repayment and scholarship program authorized by
30 this chapter. Eligibility shall be based upon an assessment that
31 determines that there is a shortage or insufficient availability of a
32 credentialed profession so as to jeopardize patient care and pose a
33 threat to the public health and safety. The department shall consider
34 the relative degree of shortages among professions when determining
35 eligibility. The department may add or remove professions from
36 eligibility based upon the determination that a profession is no longer

1 in shortage. Should a profession no longer be eligible, participants
2 or eligible students who have received scholarships shall be eligible
3 to continue to receive scholarships or loan repayments until they are
4 no longer eligible or until their service obligation has been
5 completed;

6 (2) Determine health professional shortage areas for each of the
7 eligible credentialed health care professions.

8 **Sec. 208.** RCW 28B.115.080 and 1993 c 492 s 271 are each amended to
9 read as follows:

10 After June 1, 1992, the ((board)) office, in consultation with the
11 department and the department of social and health services, shall:

12 (1) Establish the annual award amount for each credentialed health
13 care profession which shall be based upon an assessment of reasonable
14 annual eligible expenses involved in training and education for each
15 credentialed health care profession. The annual award amount may be
16 established at a level less than annual eligible expenses. The annual
17 award amount shall be established by the ((board)) office for each
18 eligible health profession. The awards shall not be paid for more than
19 a maximum of five years per individual;

20 (2) Determine any scholarship awards for prospective physicians in
21 such a manner to require the recipients declare an interest in serving
22 in rural areas of the state of Washington. Preference for scholarships
23 shall be given to students who reside in a rural physician shortage
24 area or a nonshortage rural area of the state prior to admission to the
25 eligible education and training program in medicine. Highest
26 preference shall be given to students seeking admission who are
27 recommended by sponsoring communities and who declare the intent of
28 serving as a physician in a rural area. The ((board)) office may
29 require the sponsoring community located in a nonshortage rural area to
30 financially contribute to the eligible expenses of a medical student if
31 the student will serve in the nonshortage rural area;

32 (3) Establish the required service obligation for each credentialed
33 health care profession, which shall be no less than three years or no
34 more than five years. The required service obligation may be based
35 upon the amount of the scholarship or loan repayment award such that
36 higher awards involve longer service obligations on behalf of the
37 participant;

1 (4) Determine eligible education and training programs for purposes
2 of the scholarship portion of the program;

3 (5) Honor loan repayment and scholarship contract terms negotiated
4 between the ((~~board~~)) office and participants prior to May 21, 1991,
5 concerning loan repayment and scholarship award amounts and service
6 obligations authorized under chapter 28B.115, 28B.104, or 70.180 RCW.

7 **Sec. 209.** RCW 28B.115.090 and 2003 c 278 s 4 are each amended to
8 read as follows:

9 (1) The ((~~board~~)) office may grant loan repayment and scholarship
10 awards to eligible participants from the funds appropriated for this
11 purpose, or from any private or public funds given to the ((~~board~~))
12 office for this purpose. Participants are ineligible to receive loan
13 repayment if they have received a scholarship from programs authorized
14 under this chapter or chapter 70.180 RCW or are ineligible to receive
15 a scholarship if they have received loan repayment authorized under
16 this chapter or chapter 28B.115 RCW.

17 (2) Funds appropriated for the program, including reasonable
18 administrative costs, may be used by the ((~~board~~)) office for the
19 purposes of loan repayments or scholarships. The ((~~board~~)) office
20 shall annually establish the total amount of funding to be awarded for
21 loan repayments and scholarships and such allocations shall be
22 established based upon the best utilization of funding for that year.

23 (3) One portion of the funding appropriated for the program shall
24 be used by the ((~~board~~)) office as a recruitment incentive for
25 communities participating in the community-based recruitment and
26 retention program as authorized by chapter 70.185 RCW; one portion of
27 the funding shall be used by the ((~~board~~)) office as a recruitment
28 incentive for recruitment activities in state-operated institutions,
29 county public health departments and districts, county human service
30 agencies, federal and state contracted community health clinics, and
31 other health care facilities, such as rural hospitals that have been
32 identified by the department, as providing substantial amounts of
33 charity care or publicly subsidized health care; one portion of the
34 funding shall be used by the ((~~board~~)) office for all other awards.
35 The ((~~board~~)) office shall determine the amount of total funding to be
36 distributed between the three portions.

1 **Sec. 210.** RCW 28B.115.110 and 2011 c 26 s 2 are each amended to
2 read as follows:

3 Participants in the health professional loan repayment and
4 scholarship program who are awarded loan repayments shall receive
5 payment from the program for the purpose of repaying educational loans
6 secured while attending a program of health professional training which
7 led to a credential as a credentialed health professional in the state
8 of Washington.

9 (1) Participants shall agree to meet the required service
10 obligation in a designated health professional shortage area.

11 (2) Repayment shall be limited to eligible educational and living
12 expenses as determined by the ((board)) office and shall include
13 principal and interest.

14 (3) Loans from both government and private sources may be repaid by
15 the program. Participants shall agree to allow the ((board)) office
16 access to loan records and to acquire information from lenders
17 necessary to verify eligibility and to determine payments. Loans may
18 not be renegotiated with lenders to accelerate repayment.

19 (4) Repayment of loans established pursuant to this program shall
20 begin no later than ninety days after the individual has become a
21 participant. Payments shall be made quarterly, or more frequently if
22 deemed appropriate by the ((board)) office, to the participant until
23 the loan is repaid or the participant becomes ineligible due to
24 discontinued service in a health professional shortage area or after
25 the required service obligation when eligibility discontinues,
26 whichever comes first.

27 (5) Should the participant discontinue service in a health
28 professional shortage area, payments against the loans of the
29 participants shall cease to be effective on the date that the
30 participant discontinues service.

31 (6) Except for circumstances beyond their control, participants who
32 serve less than the required service obligation shall be obligated to
33 repay to the program an amount equal to twice the total amount paid by
34 the program on their behalf. This amount is due and payable
35 immediately. Participants who are unable to pay the full amount due
36 shall enter into a payment arrangement with the ((board)) office,
37 including an arrangement for payment of interest. The maximum period

1 for repayment is ten years. The ((~~board~~)) office shall determine the
2 applicability of this subsection. The interest rate shall be
3 determined by the ((~~board~~)) office and be established by rule.

4 (7) The ((~~board~~)) office is responsible for the collection of
5 payments made on behalf of participants from the participants who
6 discontinue service before completion of the required service
7 obligation. The ((~~board~~)) office shall exercise due diligence in such
8 collection, maintaining all necessary records to ensure that the
9 maximum amount of payment made on behalf of the participant is
10 recovered. Collection under this section shall be pursued using the
11 full extent of the law, including wage garnishment if necessary.

12 (8) The ((~~board~~)) office shall not be held responsible for any
13 outstanding payments on principal and interest to any lenders once a
14 participant's eligibility expires.

15 (9) The ((~~board~~)) office shall temporarily or, in special
16 circumstances, permanently defer the requirements of this section for
17 eligible students as defined in RCW 28B.10.017.

18 (10) The ((~~board~~)) office shall establish an appeal process by
19 rule.

20 **Sec. 211.** RCW 28B.115.120 and 2011 c 26 s 3 are each amended to
21 read as follows:

22 (1) Participants in the health professional loan repayment and
23 scholarship program who are awarded scholarships incur an obligation to
24 repay the scholarship, with penalty and interest, unless they serve the
25 required service obligation in a health professional shortage area in
26 the state of Washington.

27 (2) The interest rate shall be determined by the ((~~board~~)) office
28 and established by rule.

29 (3) The period for repayment shall coincide with the required
30 service obligation, with payments of principal and interest commencing
31 no later than six months from the date the participant completes or
32 discontinues the course of study or completes or discontinues the
33 required postgraduate training. Provisions for deferral of payment
34 shall be determined by the ((~~board~~)) office.

35 (4) The entire principal and interest of each payment shall be
36 forgiven for each payment period in which the participant serves in a
37 health professional shortage area until the entire repayment obligation

1 is satisfied or the borrower ceases to so serve. Should the
2 participant cease to serve in a health professional shortage area of
3 this state before the participant's repayment obligation is completed,
4 payment of the unsatisfied portion of the principal and interest is due
5 and payable immediately.

6 (5) In addition to the amount determined in subsection (4) of this
7 section, except for circumstances beyond their control, participants
8 who serve less than the required service obligation shall be obliged to
9 pay a penalty of an amount equal to twice the unsatisfied portion of
10 the principal.

11 (6) Participants who are unable to pay the full amount due shall
12 enter into a payment arrangement with the ((~~board~~)) office for
13 repayment including interest. The maximum period for repayment is ten
14 years.

15 (7) The ((~~board~~)) office is responsible for collection of
16 repayments made under this section and shall exercise due diligence in
17 such collection, maintaining all necessary records to ensure that
18 maximum repayments are made. Collection and servicing of repayments
19 under this section shall be pursued using the full extent of the law,
20 including wage garnishment if necessary, and shall be performed by
21 entities approved for such servicing by the Washington student loan
22 guaranty association or its successor agency. The ((~~board~~)) office is
23 responsible to forgive all or parts of such repayments under the
24 criteria established in this section and shall maintain all necessary
25 records of forgiven payments.

26 (8) Receipts from the payment of principal or interest or any other
27 subsidies to which the ((~~board~~)) office as administrator is entitled,
28 which are paid by or on behalf of participants under this section,
29 shall be deposited with the ((~~board~~)) office and shall be used to cover
30 the costs of granting the scholarships, maintaining necessary records,
31 and making collections under subsection (7) of this section. The
32 ((~~board~~)) office shall maintain accurate records of these costs, and
33 all receipts beyond those necessary to pay such costs shall be used to
34 grant scholarships to eligible students.

35 (9) Sponsoring communities who financially contribute to the
36 eligible financial expenses of eligible medical students may enter into
37 agreements with the student to require repayment should the student not
38 serve the required service obligation in the community as a primary

1 care physician. The ((~~board~~)) office may develop criteria for the
2 content of such agreements with respect to reasonable provisions and
3 obligations between communities and eligible students.

4 (10) The ((~~board~~)) office may make exceptions to the conditions for
5 participation and repayment obligations should circumstances beyond the
6 control of individual participants warrant such exceptions. The
7 ((~~board~~)) office shall establish an appeal process by rule.

8 **Sec. 212.** RCW 28B.115.130 and 1991 c 332 s 28 are each amended to
9 read as follows:

10 (1) Any funds appropriated by the legislature for the health
11 professional loan repayment and scholarship program or any other public
12 or private funds intended for loan repayments or scholarships under
13 this program shall be placed in the account created by this section.

14 (2) The health professional loan repayment and scholarship program
15 fund is created in custody of the state treasurer. All receipts from
16 the program shall be deposited into the fund. Only the ((~~higher
17 education coordinating board~~)) office, or its designee, may authorize
18 expenditures from the fund. The fund is subject to allotment
19 procedures under chapter 43.88 RCW, but no appropriation is required
20 for expenditures.

21 **Sec. 213.** RCW 28B.115.140 and 1989 1st ex.s. c 9 s 722 are each
22 amended to read as follows:

23 After consulting with the ((~~higher education coordinating board~~))
24 office, the governor may transfer the administration of this program to
25 another agency with an appropriate mission.

26 **Sec. 214.** RCW 28B.116.010 and 2005 c 215 s 2 are each amended to
27 read as follows:

28 Unless the context clearly requires otherwise, the definitions in
29 this section apply throughout this chapter.

30 (1) "Institution of higher education" means a college or university
31 in the state of Washington that is accredited by an accrediting
32 association recognized as such by rule of the higher education
33 coordinating board.

34 (2) "Eligible student" means a student who:

35 (a) Is between the ages of sixteen and twenty-three;

1 (b) Has been in foster care in the state of Washington for a
2 minimum of six months since his or her fourteenth birthday;

3 (c) Is a financially needy student, as defined in RCW 28B.92.030;

4 (d) Is a resident student, as defined in RCW 28B.15.012(2);

5 (e) Has entered or will enter an institution of higher education in
6 Washington state within three years of high school graduation or having
7 successfully completed his or her GED;

8 (f) Is not pursuing a degree in theology; and

9 (g) Makes satisfactory progress towards the completion of a degree
10 or certificate program.

11 (3) "Cost of attendance" means the cost associated with the
12 attendance of the institution of higher education as determined by the
13 (~~higher education coordinating board~~) office of student financial
14 assistance, including but not limited to tuition, room, board, and
15 books.

16 (4) "Office" means the office of student financial assistance.

17 **Sec. 215.** RCW 28B.116.020 and 2009 c 560 s 20 are each amended to
18 read as follows:

19 (1) The foster care endowed scholarship program is created. The
20 purpose of the program is to help students who were in foster care
21 attend an institution of higher education in the state of Washington.
22 The foster care endowed scholarship program shall be administered by
23 the (~~higher education coordinating board~~) office.

24 (2) In administering the program, the (~~higher — education~~
25 ~~coordinating board's~~) office's powers and duties shall include but not
26 be limited to:

27 (a) Adopting necessary rules and guidelines; and

28 (b) Administering the foster care endowed scholarship trust fund
29 and the foster care scholarship endowment fund.

30 (3) In administering the program, the (~~higher — education~~
31 ~~coordinating board's~~) office's powers and duties may include but not
32 be limited to:

33 (a) Working with the department of social and health services and
34 the superintendent of public instruction to provide information about
35 the foster care endowed scholarship program to children in foster care
36 in the state of Washington and to students over the age of sixteen who
37 could be eligible for this program;

- 1 (b) Publicizing the program; and
2 (c) Contracting with a private agency to perform outreach to the
3 potentially eligible students.

4 **Sec. 216.** RCW 28B.116.030 and 2005 c 215 s 4 are each amended to
5 read as follows:

6 (1) The ((higher education coordinating board)) office may award
7 scholarships to eligible students from the foster care scholarship
8 endowment fund in RCW 28B.116.060, from funds appropriated to the board
9 for this purpose, from any private donations, or from any other funds
10 given to the ((board)) office for the program.

11 (2) The ((board)) office may award scholarships to eligible
12 students from moneys earned from the foster care scholarship endowment
13 fund created in RCW 28B.116.060, or from funds appropriated to the
14 board for this purpose, or from any private donations, or from any
15 other funds given to the ((board)) office for this program. For an
16 undergraduate student, the amount of the scholarship shall not exceed
17 the student's demonstrated financial need. For a graduate student, the
18 amount of the scholarship shall not exceed the student's demonstrated
19 need; or the stipend of a teaching assistant, including tuition, at the
20 University of Washington; whichever is higher. In calculating a
21 student's need, the ((board)) office shall consider the student's costs
22 for tuition, fees, books, supplies, transportation, room, board,
23 personal expenses, and child care. The student's scholarship awarded
24 under this chapter shall not exceed the amount received by a student
25 attending a state research university. A student is eligible to
26 receive a scholarship for a maximum of five years. However, the length
27 of the scholarship shall be determined at the discretion of the
28 ((board)) office.

29 (3) Grants under this chapter shall not affect eligibility for the
30 state student financial aid program.

31 **Sec. 217.** RCW 28B.116.050 and 2005 c 215 s 6 are each amended to
32 read as follows:

33 (1) The foster care endowed scholarship trust fund is created in
34 the custody of the state treasurer.

35 (2) Funds appropriated by the legislature for the foster care
36 endowed scholarship trust fund shall be deposited in the foster care

1 endowed scholarship trust fund. When conditions in RCW 28B.116.070 are
2 met, the (~~higher education coordinating board~~) office shall deposit
3 state matching moneys from the trust fund into the foster care
4 scholarship endowment fund.

5 (3) No appropriation is required for expenditures from the trust
6 fund.

7 **Sec. 218.** RCW 28B.116.060 and 2007 c 73 s 3 are each amended to
8 read as follows:

9 The foster care scholarship endowment fund is created in the
10 custody of the state treasurer. The investment of the endowment fund
11 shall be managed by the state investment board.

12 (1) Moneys received from the (~~higher education coordinating~~
13 ~~board~~) office, private donations, state matching moneys, and funds
14 received from any other source may be deposited into the foster care
15 scholarship endowment fund. Private moneys received as a gift subject
16 to conditions may be deposited into the endowment fund if the
17 conditions do not violate state or federal law.

18 (2) At the request of the (~~higher education coordinating board~~)
19 office, the state investment board shall release earnings from the
20 endowment fund to the state treasurer. The state treasurer shall then
21 release those funds at the request of the (~~higher education~~
22 ~~coordinating board~~) office for scholarships. No appropriation is
23 required for expenditures from the endowment fund.

24 (3) The (~~higher education coordinating board~~) office may disburse
25 grants to eligible students from the foster care scholarship endowment
26 fund. No appropriation is required for expenditures from the endowment
27 fund.

28 (4) When notified by court order that a condition attached to a
29 gift of private moneys from the foster care scholarship endowment fund
30 has failed, the (~~higher education coordinating board~~) office shall
31 release those moneys to the donors according to the terms of the
32 conditional gift.

33 (5) The principal of the foster care scholarship endowment fund
34 shall not be invaded. For the purposes of this section, only the first
35 twenty-five thousand dollars deposited into the foster care scholarship
36 endowment fund shall be considered the principal. The release of

1 moneys under subsection (4) of this section shall not constitute an
2 invasion of the corpus.

3 (6) The foster care scholarship endowment fund shall be used solely
4 for the purposes in this chapter, except when the conditional gift of
5 private moneys in the endowment fund require a portion of the earnings
6 on such moneys be reinvested in the endowment fund.

7 **Sec. 219.** RCW 28B.116.070 and 2005 c 215 s 8 are each amended to
8 read as follows:

9 (1) The (~~higher education coordinating board~~) office may deposit
10 twenty-five thousand dollars of state matching funds into the foster
11 care scholarship endowment fund when the (~~board~~) office can match
12 state funds with an equal amount of private cash donations.

13 (2) After the initial match of twenty-five thousand dollars, state
14 matching funds from the foster care endowed scholarship trust fund
15 shall be released to the foster care scholarship endowment fund
16 semiannually so long as there are funds available in the foster care
17 endowed scholarship trust fund.

18 **Sec. 220.** RCW 28B.117.020 and 2007 c 314 s 2 are each amended to
19 read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "Cost of attendance" means the cost associated with attending
23 a particular institution of higher education as determined by the
24 (~~higher education coordinating board~~) office, including but not
25 limited to tuition, fees, room, board, books, personal expenses, and
26 transportation, plus the cost of reasonable additional expenses
27 incurred by an eligible student and approved by a financial aid
28 administrator at the student's school of attendance.

29 (2) "Emancipated from foster care" means a person who was a
30 dependent of the state in accordance with chapter 13.34 RCW and who was
31 receiving foster care in the state of Washington when he or she reached
32 his or her eighteenth birthday.

33 (3) "Financial need" means the difference between a student's cost
34 of attendance and the student's total family contribution as determined
35 by the method prescribed by the United States department of education.

1 (4) "Independent college or university" means a private, nonprofit
2 institution of higher education, open to residents of the state,
3 providing programs of education beyond the high school level leading to
4 at least the baccalaureate degree, and accredited by the Northwest
5 association of schools and colleges, and other institutions as may be
6 developed that are approved by the (~~higher education coordinating~~)
7 board as meeting equivalent standards as those institutions accredited
8 under this section.

9 (5) "Institution of higher education" means:

10 (a) Any public university, college, community college, or technical
11 college operated by the state of Washington or any political
12 subdivision thereof; or

13 (b) Any independent college or university in Washington; or

14 (c) Any other university, college, school, or institute in the
15 state of Washington offering instruction beyond the high school level
16 that is a member institution of an accrediting association recognized
17 by rule of the higher education coordinating board for the purposes of
18 this section: PROVIDED, That any institution, branch, extension, or
19 facility operating within the state of Washington that is affiliated
20 with an institution operating in another state must be a separately
21 accredited member institution of any such accrediting association, or
22 a branch of a member institution of an accrediting association
23 recognized by rule of the board for purposes of this section, that is
24 eligible for federal student financial aid assistance and has operated
25 as a nonprofit college or university delivering on-site classroom
26 instruction for a minimum of twenty consecutive years within the state
27 of Washington, and has an annual enrollment of at least seven hundred
28 full-time equivalent students.

29 (6) "Office" means the office of student financial assistance.

30 (7) "Program" means the passport to college promise pilot program
31 created in this chapter.

32 **Sec. 221.** RCW 28B.117.030 and 2007 c 314 s 4 are each amended to
33 read as follows:

34 (1) The (~~higher education coordinating board~~) office shall design
35 and, to the extent funds are appropriated for this purpose, implement,
36 a program of supplemental scholarship and student assistance for

1 students who have emancipated from the state foster care system after
2 having spent at least one year in care.

3 (2) The (~~board~~) office shall convene and consult with an advisory
4 committee to assist with program design and implementation. The
5 committee shall include but not be limited to former foster care youth
6 and their advocates; representatives from the state board for community
7 and technical colleges, and from public and private agencies that
8 assist current and former foster care recipients in their transition to
9 adulthood; and student support specialists from public and private
10 colleges and universities.

11 (3) To the extent that sufficient funds have been appropriated for
12 this purpose, a student is eligible for assistance under this section
13 if he or she:

14 (a) Emancipated from foster care on or after January 1, 2007, after
15 having spent at least one year in foster care subsequent to his or her
16 sixteenth birthday;

17 (b) Is a resident student, as defined in RCW 28B.15.012(2);

18 (c) Is enrolled with or will enroll on at least a half-time basis
19 with an institution of higher education in Washington state by the age
20 of twenty-one;

21 (d) Is making satisfactory academic progress toward the completion
22 of a degree or certificate program, if receiving supplemental
23 scholarship assistance;

24 (e) Has not earned a bachelor's or professional degree; and

25 (f) Is not pursuing a degree in theology.

26 (4) A passport to college scholarship under this section:

27 (a) Shall not exceed resident undergraduate tuition and fees at the
28 highest-priced public institution of higher education in the state; and

29 (b) Shall not exceed the student's financial need, less a
30 reasonable self-help amount defined by the board, when combined with
31 all other public and private grant, scholarship, and waiver assistance
32 the student receives.

33 (5) An eligible student may receive a passport to college
34 scholarship under this section for a maximum of five years after the
35 student first enrolls with an institution of higher education or until
36 the student turns age twenty-six, whichever occurs first. If a student
37 turns age twenty-six during an academic year, and would otherwise be

1 eligible for a scholarship under this section, the student shall
2 continue to be eligible for a scholarship for the remainder of the
3 academic year.

4 (6) The (~~higher — education — coordinating — board~~) office, in
5 consultation with and with assistance from the state board for
6 community and technical colleges, shall perform an annual analysis to
7 verify that those institutions of higher education at which students
8 have received a scholarship under this section have awarded the student
9 all available need-based and merit-based grant and scholarship aid for
10 which the student qualifies.

11 (7) In designing and implementing the passport to college student
12 support program under this section, the (~~board~~) office, in
13 consultation with and with assistance from the state board for
14 community and technical colleges, shall ensure that a participating
15 college or university:

16 (a) Has a viable plan for identifying students eligible for
17 assistance under this section, for tracking and enhancing their
18 academic progress, for addressing their unique needs for assistance
19 during school vacations and academic interims, and for linking them to
20 appropriate sources of assistance in their transition to adulthood;

21 (b) Receives financial and other incentives for achieving
22 measurable progress in the recruitment, retention, and graduation of
23 eligible students.

24 **Sec. 222.** RCW 28B.117.040 and 2007 c 314 s 5 are each amended to
25 read as follows:

26 Effective operation of the passport to college promise pilot
27 program requires early and accurate identification of former foster
28 care youth so that they can be linked to the financial and other
29 assistance that will help them succeed in college. To that end:

30 (1) All institutions of higher education that receive funding for
31 student support services under RCW 28B.117.030 shall include on their
32 applications for admission or on their registration materials a
33 question asking whether the applicant has been in foster care in
34 Washington state for at least one year since his or her sixteenth
35 birthday. All other institutions of higher education are strongly
36 encouraged to include such a question. No institution may consider

1 whether an applicant may be eligible for a scholarship or student
2 support services under this chapter when deciding whether the applicant
3 will be granted admission.

4 (2) The department of social and health services shall devise and
5 implement procedures for efficiently, promptly, and accurately
6 identifying students and applicants who are eligible for services under
7 RCW 28B.117.030, and for sharing that information with the (~~higher~~
8 ~~education coordinating board~~) office and with institutions of higher
9 education. The procedures shall include appropriate safeguards for
10 consent by the applicant or student before disclosure.

11 **Sec. 223.** RCW 28B.117.050 and 2007 c 314 s 6 are each amended to
12 read as follows:

13 (1) To the extent funds are appropriated for this purpose, the
14 (~~higher education coordinating board~~) office, with input from the
15 state board for community and technical colleges, the foster care
16 partnership, and institutions of higher education, shall develop and
17 maintain an internet web site and outreach program to serve as a
18 comprehensive portal for foster care youth in Washington state to
19 obtain information regarding higher education including, but not
20 necessarily limited to:

- 21 (a) Academic, social, family, financial, and logistical information
22 important to successful postsecondary educational success;
- 23 (b) How and when to obtain and complete college applications;
- 24 (c) What college placement tests, if any, are generally required
25 for admission to college and when and how to register for such tests;
- 26 (d) How and when to obtain and complete a federal free application
27 for federal student aid (FAFSA); and
- 28 (e) Detailed sources of financial aid likely available to eligible
29 former foster care youth, including the financial aid provided by this
30 chapter.

31 (2) The (~~board~~) office shall determine whether to design, build,
32 and operate such program and web site directly or to use, support, and
33 modify existing web sites created by government or nongovernmental
34 entities for a similar purpose.

35 **Sec. 224.** RCW 28B.117.060 and 2007 c 314 s 7 are each amended to
36 read as follows:

1 (1) To the extent funds are appropriated for this purpose, the
2 department of social and health services, with input from the state
3 board for community and technical colleges, the (~~higher-education~~
4 ~~coordinating-board~~) office, and institutions of higher education,
5 shall contract with at least one nongovernmental entity through a
6 request for proposals process to develop, implement, and administer a
7 program of supplemental educational transition planning for youth in
8 foster care in Washington state.

9 (2) The nongovernmental entity or entities chosen by the department
10 shall have demonstrated success in working with foster care youth and
11 assisting foster care youth in successfully making the transition from
12 foster care to independent adulthood.

13 (3) The selected nongovernmental entity or entities shall provide
14 supplemental educational transition planning to foster care youth in
15 Washington state beginning at age fourteen and then at least every six
16 months thereafter. The supplemental transition planning shall include:

17 (a) Comprehensive information regarding postsecondary educational
18 opportunities including, but not limited to, sources of financial aid,
19 institutional characteristics and record of support for former foster
20 care youth, transportation, housing, and other logistical
21 considerations;

22 (b) How and when to apply to postsecondary educational programs;

23 (c) What precollege tests, if any, the particular foster care youth
24 should take based on his or her postsecondary plans and when to take
25 the tests;

26 (d) What courses to take to prepare the particular foster care
27 youth to succeed at his or her postsecondary plans;

28 (e) Social, community, educational, logistical, and other issues
29 that frequently impact college students and their success rates; and

30 (f) Which web sites, nongovernmental entities, public agencies, and
31 other foster care youth support providers specialize in which services.

32 (4) The selected nongovernmental entity or entities shall work
33 directly with the school counselors at the foster care youths' high
34 schools to ensure that a consistent and complete transition plan has
35 been prepared for each foster care youth who emancipates out of the
36 foster care system in Washington state.

1 **Sec. 225.** RCW 28B.117.070 and 2007 c 314 s 8 are each amended to
2 read as follows:

3 (1) The (~~higher education coordinating board~~) office of student
4 financial assistance shall report to appropriate committees of the
5 legislature by January 15, 2008, on the status of program design and
6 implementation. The report shall include a discussion of proposed
7 scholarship and student support service approaches; an estimate of the
8 number of students who will receive such services; baseline information
9 on the extent to which former foster care youth who meet the
10 eligibility criteria in RCW 28B.117.030 have enrolled and persisted in
11 postsecondary education; and recommendations for any statutory changes
12 needed to promote achievement of program objectives.

13 (2) The state board for community and technical colleges and the
14 (~~higher education coordinating board~~) office of student financial
15 assistance shall monitor and analyze the extent to which eligible young
16 people are increasing their participation, persistence, and progress in
17 postsecondary education, and shall jointly submit a report on their
18 findings to appropriate committees of the legislature by December 1,
19 2009, and by December 1, 2011.

20 (3) The Washington state institute for public policy shall complete
21 an evaluation of the passport to college promise pilot program and
22 shall submit a report to appropriate committees of the legislature by
23 December 1, 2012. The report shall estimate the impact of the program
24 on eligible students' participation and success in postsecondary
25 education, and shall include recommendations for program revision and
26 improvement.

27 **Sec. 226.** RCW 28B.118.010 and 2008 c 321 s 9 are each amended to
28 read as follows:

29 The (~~higher education coordinating board~~) office of student
30 financial assistance shall design the Washington college bound
31 scholarship program in accordance with this section.

32 (1) "Eligible students" are those students who qualify for free or
33 reduced-price lunches. If a student qualifies in the seventh grade,
34 the student remains eligible even if the student does not receive free
35 or reduced-price lunches thereafter.

36 (2) Eligible students shall be notified of their eligibility for

1 the Washington college bound scholarship program beginning in their
2 seventh grade year. Students shall also be notified of the
3 requirements for award of the scholarship.

4 (3) To be eligible for a Washington college bound scholarship, a
5 student must sign a pledge during seventh or eighth grade that includes
6 a commitment to graduate from high school with at least a C average and
7 with no felony convictions. Students who were in the eighth grade
8 during the 2007-08 school year may sign the pledge during the 2008-09
9 school year. The pledge must be witnessed by a parent or guardian and
10 forwarded to the (~~higher-education-coordinating-board~~) office of
11 student financial assistance by mail or electronically, as indicated on
12 the pledge form.

13 (4)(a) Scholarships shall be awarded to eligible students
14 graduating from public high schools, approved private high schools
15 under chapter 28A.195 RCW, or who received home-based instruction under
16 chapter 28A.200 RCW.

17 (b) To receive the Washington college bound scholarship, a student
18 must graduate with at least a "C" average from a public high school or
19 an approved private high school under chapter 28A.195 RCW in Washington
20 or have received home-based instruction under chapter 28A.200 RCW, must
21 have no felony convictions, and must be a resident student as defined
22 in RCW 28B.15.012(2) (a) through (d).

23 (5) A student's family income will be assessed upon graduation
24 before awarding the scholarship.

25 (6) If at graduation from high school the student's family income
26 does not exceed sixty-five percent of the state median family income,
27 scholarship award amounts shall be as provided in this section.

28 (a) For students attending two or four-year institutions of higher
29 education as defined in RCW 28B.10.016, the value of the award shall be
30 (i) the difference between the student's tuition and required fees,
31 less the value of any state-funded grant, scholarship, or waiver
32 assistance the student receives; (ii) plus five hundred dollars for
33 books and materials.

34 (b) For students attending private four-year institutions of higher
35 education in Washington, the award amount shall be the representative
36 average of awards granted to students in public research universities
37 in Washington.

1 (c) For students attending private vocational schools in
2 Washington, the award amount shall be the representative average of
3 awards granted to students in public community and technical colleges
4 in Washington.

5 (7) Recipients may receive no more than four full-time years' worth
6 of scholarship awards.

7 (8) Institutions of higher education shall award the student all
8 need-based and merit-based financial aid for which the student would
9 otherwise qualify. The Washington college bound scholarship is
10 intended to replace unmet need, loans, and, at the student's option,
11 work-study award before any other grants or scholarships are reduced.

12 (9) The first scholarships shall be awarded to students graduating
13 in 2012.

14 (10) The state of Washington retains legal ownership of tuition
15 units awarded as scholarships under this chapter until the tuition
16 units are redeemed. These tuition units shall remain separately held
17 from any tuition units owned under chapter 28B.95 RCW by a Washington
18 college bound scholarship recipient.

19 (11) The scholarship award must be used within five years of
20 receipt. Any unused scholarship tuition units revert to the Washington
21 college bound scholarship account.

22 (12) Should the recipient terminate his or her enrollment for any
23 reason during the academic year, the unused portion of the scholarship
24 tuition units shall revert to the Washington college bound scholarship
25 account.

26 **Sec. 227.** RCW 28B.118.020 and 2007 c 405 s 3 are each amended to
27 read as follows:

28 The office of the superintendent of public instruction shall:

29 (1) Notify elementary, middle, and junior high schools about the
30 Washington college bound scholarship program using methods in place for
31 communicating with schools and school districts; and

32 (2) Work with the (~~higher education coordinating board~~) office of
33 student financial assistance to develop application collection and
34 student tracking procedures.

35 **Sec. 228.** RCW 28B.118.040 and 2007 c 405 s 5 are each amended to
36 read as follows:

1 The (~~higher-education-coordinating-board~~) office_of_student
2 financial assistance shall:

3 (1) With the assistance of the office of the superintendent of
4 public instruction, implement and administer the Washington college
5 bound scholarship program;

6 (2) Develop and distribute, to all schools with students enrolled
7 in grade seven or eight, a pledge form that can be completed and
8 returned electronically or by mail by the student or the school to the
9 (~~higher-education-coordinating-board~~) office_of_student_financial
10 assistance;

11 (3) Develop and implement a student application, selection, and
12 notification process for scholarships;

13 (4) Track scholarship recipients to ensure continued eligibility
14 and determine student compliance for awarding of scholarships;

15 (5) Subject to appropriation, deposit funds into the state
16 educational trust fund;

17 (6) Purchase tuition units under the advanced college tuition
18 payment program in chapter 28B.95 RCW to be owned and held in trust by
19 the board, for the purpose of scholarship awards as provided for in
20 this section; and

21 (7) Distribute scholarship funds, in the form of tuition units
22 purchased under the advanced college tuition payment program in chapter
23 28B.95 RCW or through direct payments from the state educational trust
24 fund, to institutions of higher education on behalf of scholarship
25 recipients identified by the (~~board~~) office, as long as recipients
26 maintain satisfactory academic progress.

27 **Sec. 229.** RCW 28B.118.050 and 2007 c 405 s 6 are each amended to
28 read as follows:

29 The (~~higher-education-coordinating-board~~) office_of_student
30 financial assistance may accept grants, gifts, bequests, and devises of
31 real and personal property from any source for the purpose of granting
32 financial aid in addition to that funded by the state.

33 **Sec. 230.** RCW 28B.118.060 and 2007 c 405 s 7 are each amended to
34 read as follows:

35 The (~~higher-education-coordinating-board~~) office_of_student
36 financial assistance may adopt rules to implement this chapter.

1 **Sec. 231.** RCW 28B.119.010 and 2004 c 275 s 60 are each amended to
2 read as follows:

3 The (~~higher-education-coordinating-board~~) office of student
4 financial assistance shall design the Washington promise scholarship
5 program based on the following parameters:

6 (1) Scholarships shall be awarded to students graduating from
7 public and approved private high schools under chapter 28A.195 RCW,
8 students participating in home-based instruction as provided in chapter
9 28A.200 RCW, and persons twenty-one years of age or younger receiving
10 a GED certificate, who meet both an academic and a financial
11 eligibility criteria.

12 (a) Academic eligibility criteria shall be defined as follows:

13 (i) Beginning with the graduating class of 2002, students
14 graduating from public and approved private high schools under chapter
15 28A.195 RCW must be in the top fifteen percent of their graduating
16 class, as identified by each respective high school at the completion
17 of the first term of the student's senior year; or

18 (ii) Students graduating from public high schools, approved private
19 high schools under chapter 28A.195 RCW, students participating in home-
20 based instruction as provided in chapter 28A.200 RCW, and persons
21 twenty-one years of age or younger receiving a GED certificate, must
22 equal or exceed a cumulative scholastic assessment test I score of
23 twelve hundred on their first attempt or must equal or exceed a
24 composite American college test score of twenty-seven on their first
25 attempt.

26 (b) To meet the financial eligibility criteria, a student's family
27 income shall not exceed one hundred thirty-five percent of the state
28 median family income adjusted for family size, as determined by the
29 (~~higher-education-coordinating-board~~) office of student financial
30 assistance for each graduating class. Students not meeting the
31 eligibility requirements for the first year of scholarship benefits may
32 reapply for the second year of benefits, but must still meet the income
33 standard set by the (~~board~~) office for the student's graduating
34 class.

35 (2) Promise scholarships are not intended to supplant any grant,
36 scholarship, or tax program related to postsecondary education. If the
37 (~~board~~) office of student financial assistance finds that promise
38 scholarships supplant or reduce any grant, scholarship, or tax program

1 for categories of students, then the (~~board~~) office shall adjust the
2 financial eligibility criteria or the amount of scholarship to the
3 level necessary to avoid supplanting.

4 (3) Within available funds, each qualifying student shall receive
5 two consecutive annual awards, the value of each not to exceed the
6 full-time annual resident tuition rates charged by Washington's
7 community colleges. The (~~higher education coordinating board~~) office
8 of student financial assistance shall award scholarships to as many
9 students as possible from among those qualifying under this section.

10 (4) By October 15th of each year, the (~~board~~) office of student
11 financial assistance shall determine the award amount of the
12 scholarships, after taking into consideration the availability of
13 funds.

14 (5) The scholarships may only be used for undergraduate coursework
15 at accredited institutions of higher education in the state of
16 Washington.

17 (6) The scholarships may be used for undergraduate coursework at
18 Oregon institutions of higher education that are part of the border
19 county higher education opportunity project in RCW 28B.76.685 when
20 those institutions offer programs not available at accredited
21 institutions of higher education in Washington state.

22 (7) The scholarships may be used for college-related expenses,
23 including but not limited to, tuition, room and board, books, and
24 materials.

25 (8) The scholarships may not be awarded to any student who is
26 pursuing a degree in theology.

27 (9) The (~~higher education coordinating board~~) office of student
28 financial assistance may establish satisfactory progress standards for
29 the continued receipt of the promise scholarship.

30 (10) The (~~higher education coordinating board~~) office of student
31 financial assistance shall establish the time frame within which the
32 student must use the scholarship.

33 **Sec. 232.** RCW 28B.119.020 and 2002 c 204 s 3 are each amended to
34 read as follows:

35 The (~~higher education coordinating board~~) office of student
36 financial assistance, with the assistance of the office of the

1 superintendent of public instruction, shall implement and administer
2 the Washington promise scholarship program described in RCW 28B.119.010
3 as follows:

4 (1) The first scholarships shall be awarded to eligible students
5 enrolling in postsecondary education in the 2002-03 academic year.

6 (2) The office of the superintendent of public instruction shall
7 provide information to the (~~higher-education-coordinating-board~~)
8 office of student financial assistance that is necessary for
9 implementation of the program. The (~~higher-education-coordinating~~
10 ~~board~~) office of student financial assistance and the office of the
11 superintendent of public instruction shall jointly establish a timeline
12 and procedures necessary for accurate and timely data reporting.

13 (a) For students meeting the academic eligibility criteria as
14 provided in RCW 28B.119.010(1)(a), the office of the superintendent of
15 public instruction shall provide the (~~higher-education-coordinating~~
16 ~~board~~) office of student financial assistance with student names,
17 addresses, birth dates, and unique numeric identifiers.

18 (b) Public and approved private high schools under chapter 28A.195
19 RCW shall provide requested information necessary for implementation of
20 the program to the office of the superintendent of public instruction
21 within the established timeline.

22 (c) All student data is confidential and may be used solely for the
23 purposes of providing scholarships to eligible students.

24 (3) The (~~higher-education-coordinating-board~~) office of student
25 financial assistance may adopt rules to implement this chapter.

26 **Sec. 233.** RCW 28B.119.030 and 2004 c 275 s 71 are each amended to
27 read as follows:

28 The Washington promise scholarship program shall not be funded at
29 the expense of the state need grant program as defined in chapter
30 28B.92 RCW. In administering the state need grant and promise
31 scholarship programs, the (~~higher-education-coordinating-board~~)
32 office of student financial assistance shall first ensure that
33 eligibility for state need grant recipients is at least fifty-five
34 percent of state median family income.

35 **Sec. 234.** RCW 28B.119.050 and 2002 c 204 s 6 are each amended to
36 read as follows:

1 (1) The Washington promise scholarship account is created in the
2 custody of the state treasurer. The account shall be a nontreasury
3 account retaining its interest earnings in accordance with RCW
4 43.79A.040.

5 (2) The (~~higher education coordinating board~~) office of student
6 financial assistance shall deposit in the account all money received
7 for the program. The account shall be self-sustaining and consist of
8 funds appropriated by the legislature for the Washington promise
9 scholarship program, private contributions to the program, and refunds
10 of Washington promise scholarships.

11 (3) Expenditures from the account shall be used for scholarships to
12 eligible students.

13 (4) With the exception of the operating costs associated with the
14 management of the account by the treasurer's office as authorized in
15 chapter 43.79A RCW, the account shall be credited with all investment
16 income earned by the account.

17 (5) Disbursements from the account are exempt from appropriations
18 and the allotment provisions of chapter 43.88 RCW.

19 (6) Disbursements from the account shall be made only on the
20 authorization of the (~~higher education coordinating board~~) office of
21 student financial assistance.

22 **Sec. 235.** RCW 28B.120.020 and 2010 c 245 s 8 are each amended to
23 read as follows:

24 The higher education coordinating board shall have the following
25 powers and duties in administering the program for those proposals in
26 which a four-year institution of higher education is named as the lead
27 institution and fiscal agent:

28 (1) To adopt rules necessary to carry out the program;

29 (2) To award grants no later than September 1st in those years when
30 funding is available by June 30th;

31 (3) To establish each biennium specific guidelines for submitting
32 grant proposals consistent with RCW 28B.120.005 and consistent with the
33 strategic master plan for higher education, the system design plan, the
34 overall goals of the program and the guidelines established by the
35 state board for community and technical colleges under RCW 28B.120.025.

36 After June 30, 2001, and each biennium thereafter, the board shall
37 determine funding priorities for proposals for the biennium in

1 consultation with (~~the governor,~~) the legislature, the office of the
2 superintendent of public instruction, the state board for community and
3 technical colleges, the workforce training and education coordinating
4 board, higher education institutions, educational associations, and
5 business and community groups consistent with statewide needs;

6 (4) To solicit grant proposals and provide information to the
7 institutions of higher education about the program; and

8 (5) To establish reporting, evaluation, accountability, monitoring,
9 and dissemination requirements for the recipients of the grants awarded
10 by the (~~higher education coordinating board~~) office of financial
11 management.

12 **Sec. 236.** RCW 28B.133.030 and 2011 c 60 s 12 are each amended to
13 read as follows:

14 (1) The students with dependents grant account is created in the
15 custody of the state treasurer. All receipts from the program shall be
16 deposited into the account. Only the (~~higher education coordinating~~
17 ~~board~~) office of student financial assistance, or its designee, may
18 authorize expenditures from the account. Disbursements from the
19 account are exempt from appropriations and the allotment procedures
20 under chapter 43.88 RCW.

21 (2) The (~~board~~) office may solicit and receive gifts, grants, or
22 endowments from private sources that are made from time to time, in
23 trust or otherwise, for the use and benefit of the purposes of the
24 educational assistance grant program. The (~~executive~~) director, or
25 the (~~executive~~) director's designee, may spend gifts, grants, or
26 endowments or income from the private sources according to their terms
27 unless the receipt of the gifts, grants, or endowments violates RCW
28 42.17A.560.

29 (3) The earnings on the account shall be used solely for the
30 purposes in RCW 28B.133.010, except when the terms of a conditional
31 gift of private moneys in the account require that a portion of
32 earnings on such moneys be reinvested in the account.

33 **Sec. 237.** RCW 28B.133.040 and 2003 c 19 s 5 are each amended to
34 read as follows:

35 The (~~higher education coordinating board~~) office of student
36 financial assistance shall develop and administer the educational

1 assistance grant program for students with dependents. In
2 administering the program, once the balance in the students with
3 dependents grant account is five hundred thousand dollars, the
4 (~~board's~~) office's powers and duties shall include but not be limited
5 to:

- 6 (1) Adopting necessary rules and guidelines;
- 7 (2) Publicizing the program;
- 8 (3) Accepting and depositing donations into the grant account
9 established in RCW 28B.133.030; and
- 10 (4) Soliciting and accepting grants and donations from private
11 sources for the program.

12 **Sec. 238.** RCW 28B.133.050 and 2004 c 275 s 74 are each amended to
13 read as follows:

14 The educational assistance grant program for students with
15 dependents grants may be used by eligible participants to attend any
16 public or private college or university in the state of Washington as
17 defined in RCW 28B.92.030. Each participating student may receive an
18 amount to be determined by the (~~higher education coordinating board~~)
19 office of student financial assistance, with a minimum amount of one
20 thousand dollars per academic year, not to exceed the student's
21 documented financial need for the course of study as determined by the
22 institution.

23 Educational assistance grants for students with dependents are not
24 intended to supplant any grant scholarship or tax program related to
25 postsecondary education. If the (~~higher education coordinating~~
26 ~~board~~) office of student financial assistance finds that the
27 educational assistance grants for students with dependents supplant or
28 reduce any grant, scholarship, or tax program for categories of
29 students, then the (~~higher education coordinating board~~) office shall
30 adjust the financial eligibility criteria or the amount of the grant to
31 the level necessary to avoid supplanting.

32 **Sec. 239.** RCW 28B.135.010 and 2010 1st sp.s. c 9 s 5 are each
33 amended to read as follows:

34 The four-year student child care in higher education account is
35 established. The (~~higher education coordinating board~~) office of
36 student financial assistance shall administer the program for the

1 four-year institutions of higher education. Through ~~((these))~~ this
2 program~~((s))~~ the ~~((board))~~ office shall award either competitive or
3 matching child care grants to state institutions of higher education to
4 encourage programs to address the need for high quality, accessible,
5 and affordable child care for students at higher education
6 institutions. The grants shall be used exclusively for the provision
7 of quality child care services for students at institutions of higher
8 education. The university or college administration and student
9 government association, or its equivalent, of each institution
10 receiving the award may contribute financial support in an amount equal
11 to or greater than the child care grant received by the institution.

12 **Sec. 240.** RCW 28B.135.030 and 2008 c 162 s 3 are each amended to
13 read as follows:

14 The ~~((higher-education-coordinating-board))~~ office of student
15 financial assistance shall have the following powers and duties in
16 administering the program for the four-year institutions of higher
17 education:

18 (1) To adopt rules necessary to carry out the program;

19 (2) To establish one or more review committees to assist in the
20 evaluation of proposals for funding. The review committees may receive
21 input from parents, educators, and other experts in the field of early
22 childhood education for this purpose;

23 (3) To establish each biennium specific guidelines for submitting
24 grant proposals consistent with the overall goals of the program. The
25 guidelines shall be consistent with the following desired outcomes of
26 increasing access to quality child care for students, providing
27 affordable child care alternatives for students, creating a partnership
28 between university or college administrations, university or college
29 foundations, and student government associations, or their equivalents;

30 (4) To proportionally distribute the amount of money available in
31 the trust fund based on the financial support for child care received
32 by the student government associations or their equivalents. Student
33 government associations may solicit funds from private organizations
34 and targeted fund-raising campaigns as part of their financial support
35 for child care;

36 (5) To solicit grant proposals and provide information to the
37 institutions of higher education about the program;

1 (6) To establish reporting, evaluation, accountability, monitoring,
2 and dissemination requirements for the recipients of the grants; and
3 ~~((7) To report to the appropriate committees of the legislature by
4 December 15, 2008, and every two years thereafter, on the status of
5 program design and implementation at the four-year institutions of
6 higher education. The report shall include but not be limited to
7 summary information on the institutions receiving child care grant
8 allocations, the amount contributed by each university or college
9 administration and student government association for the purposes of
10 child care including expenditures and reports for the previous
11 biennium, services provided by each institutional child care center,
12 the number of students using such services, and identifiable unmet
13 need.))~~

14 **Sec. 241.** RCW 28B.135.040 and 2010 1st sp.s. c 9 s 4 are each
15 amended to read as follows:

16 The four-year student child care in higher education account is
17 established in the custody of the state treasurer. Moneys in the
18 account may be spent only for the purposes of RCW 28B.135.010.
19 Disbursements from the account shall be on the authorization of the
20 ~~((higher education coordinating board))~~ office of student financial
21 assistance. The account is subject to the allotment procedures under
22 chapter 43.88 RCW, but no appropriation is required for disbursements.

23 **Sec. 242.** RCW 28C.18.166 and 2009 c 238 s 5 are each amended to
24 read as follows:

25 On an annual basis, each opportunity internship consortium shall
26 provide the board with a list of the opportunity internship graduates
27 from the consortium. The board shall compile the lists from all
28 consortia and shall notify the ~~((higher education coordinating board))~~
29 office of student financial assistance of the eligibility of each
30 graduate on the lists to receive a state need grant under chapter
31 28B.92 RCW if the graduate enrolls in a postsecondary program of study
32 within one year of high school graduation.

33 **Sec. 243.** RCW 39.86.130 and 2010 1st sp.s. c 6 s 7 are each
34 amended to read as follows:

35 (1) In granting an allocation, reallocation, or carryforward of the

1 state ceiling as provided in this chapter, the agency shall consider
2 existing state priorities and other such criteria, including but not
3 limited to, the following criteria:

4 (a) Need of issuers to issue bonds within a bond use category
5 subject to a state ceiling;

6 (b) Amount of the state ceiling available;

7 (c) Public benefit and purpose to be satisfied, including economic
8 development, educational opportunity, and public health, safety, or
9 welfare;

10 (d) Cost or availability of alternative methods of financing for
11 the project or program; and

12 (e) Certainty of using the allocation which is being requested.

13 (2) In determining whether to allocate an amount of the state
14 ceiling to an issuer within any bond use category, the agency shall
15 consider, but is not limited to, the following criteria for each of the
16 bond use categories:

17 (a) Housing: Criteria which comply with RCW 43.180.200.

18 (b) Student loans: Criteria which comply with the applicable
19 provisions of Title 28B RCW and rules adopted by the (~~higher education~~
20 ~~coordinating board~~) office of student financial assistance or
21 applicable state agency dealing with student financial aid.

22 (c) Small issue: Factors which may include:

23 (i) The number of employment opportunities the project is likely to
24 create or retain in relation to the amount of the bond issuance;

25 (ii) The level of unemployment existing in the geographic area
26 likely to be affected by the project;

27 (iii) A commitment to providing employment opportunities to low-
28 income persons in cooperation with the employment security department;

29 (iv) Geographic distribution of projects;

30 (v) The number of persons who will benefit from the project;

31 (vi) Consistency with criteria identified in subsection (1) of this
32 section; and

33 (vii) Order in which requests were received.

34 (d) Exempt facility or redevelopment: Factors which may include:

35 (i) State issuance needs;

36 (ii) Consistency with criteria identified in subsection (1) of this
37 section;

38 (iii) Order in which requests were received;

1 (iv) The proportionate number of persons in relationship to the
2 size of the community who will benefit from the project; and

3 (v) The unique timing and issuance needs of large scale projects
4 that may require allocations in more than one year.

5 (e) Public utility: Factors which may include:

6 (i) Consistency with criteria identified in subsection (1) of this
7 section; and

8 (ii) Timing needs for issuance of bonds over a multi-year period.

9 NEW SECTION. **Sec. 244.** The following acts or parts of acts, as
10 now existing or hereafter amended, are each repealed, effective July 1,
11 2012:

12 (1) RCW 28B.76.010 (Board created) and 1985 c 370 s 1;

13 (2) RCW 28B.76.030 (Purpose) and 2004 c 275 s 1;

14 (3) RCW 28B.76.040 (Members--Appointment) and 2002 c 348 s 1, 2002
15 c 129 s 1, & 1985 c 370 s 10;

16 (4) RCW 28B.76.050 (Members--Terms) and 2007 c 458 s 101, 2004 c
17 275 s 3, 2002 c 129 s 2, & 1985 c 370 s 11;

18 (5) RCW 28B.76.060 (Members--Vacancies) and 1985 c 370 s 12;

19 (6) RCW 28B.76.070 (Bylaws--Meetings) and 1985 c 370 s 13;

20 (7) RCW 28B.76.080 (Members--Compensation and travel expenses) and
21 1985 c 370 s 16, 1984 c 287 s 65, 1975-'76 2nd ex.s. c 34 s 77, & 1969
22 ex.s. c 277 s 12;

23 (8) RCW 28B.76.200 (Statewide strategic master plan for higher
24 education--Institution-level strategic plans) and 2007 c 458 s 201,
25 2004 c 275 s 6, & 2003 c 130 s 2;

26 (9) RCW 28B.76.260 (Statewide system of course equivalency--Work
27 group) and 2004 c 55 s 3;

28 (10) RCW 28B.76.280 (Data collection and research--Privacy
29 protection) and 2010 1st sp.s. c 7 s 58 & 2004 c 275 s 12;

30 (11) RCW 28B.76.330 (Coordination, articulation, and transitions
31 among systems of education--Biennial updates to legislature) and 2004
32 c 275 s 17 & 1994 c 222 s 3; and

33 (12) RCW 28B.76.530 (Board may develop and administer demonstration
34 projects) and 1989 c 306 s 2.

35 NEW SECTION. **Sec. 245.** The following acts or parts of acts are
36 each repealed:

1 (1) RCW 28B.10.056 (State enrollment and degree priority--Science
2 and technology fields--Report to the legislature) and 2006 c 180 s 2;

3 (2) RCW 28B.10.5691 (Campus safety--Institutional assessments--
4 Updates--Reports) and 2008 c 168 s 2;

5 (3) RCW 28B.15.465 (Gender equity--Reports) and 1997 c 5 s 3 & 1989
6 c 340 s 5;

7 (4) RCW 28B.15.736 (Washington/Oregon reciprocity tuition and fee
8 program--Program review) and 1985 c 370 s 72, 1983 c 104 s 2, & 1979 c
9 80 s 4;

10 (5) RCW 28B.15.754 (Washington/Idaho reciprocity tuition and fee
11 program--Implementation agreement--Program review) and 1987 c 446 s 1,
12 1985 c 370 s 75, & 1983 c 166 s 3;

13 (6) RCW 28B.15.758 (Washington/British Columbia reciprocity tuition
14 and fee program--Implementation agreement--Program review) and 1987 c
15 446 s 3, 1985 c 370 s 77, & 1983 c 166 s 5;

16 (7) RCW 28B.76.300 (State support received by students--
17 Information) and 2004 c 275 s 14, 1997 c 48 s 1, & 1993 c 250 s 1; and

18 (8) RCW 28B.76.320 (Board to transmit amounts constituting approved
19 educational costs) and 2004 c 275 s 16, 1995 1st sp.s. c 9 s 6, & 1989
20 c 245 s 4.

21 ****NEW SECTION. Sec. 246. (1) All powers, duties, and functions of***
22 ***the higher education coordinating board pertaining to student financial***
23 ***assistance are transferred to the office of student financial***
24 ***assistance. All references to the executive director or the higher***
25 ***education coordinating board in the Revised Code of Washington shall be***
26 ***construed to mean the director or the office of student financial***
27 ***assistance when referring to the functions transferred in this section.***

28 ***(2)(a) All reports, documents, surveys, books, records, files,***
29 ***papers, or written material in the possession of the higher education***
30 ***coordinating board pertaining to the powers, functions, and duties***
31 ***transferred shall be delivered to the custody of the office of student***
32 ***financial assistance. All cabinets, furniture, office equipment, motor***
33 ***vehicles, and other tangible property employed by the higher education***
34 ***coordinating board in carrying out the powers, functions, and duties***
35 ***transferred shall be made available to the office of student financial***
36 ***assistance. All funds, credits, or other assets held in connection***

1 with the powers, functions, and duties transferred shall be assigned to
2 the office of student financial assistance.

3 (b) Any appropriations made to the higher education coordinating
4 board for carrying out the powers, functions, and duties transferred
5 shall, on the effective date of this section, be transferred and
6 credited to the office of student financial assistance.

7 (c) Whenever any question arises as to the transfer of any
8 personnel, funds, books, documents, records, papers, files, equipment,
9 or other tangible property used or held in the exercise of the powers
10 and the performance of the duties and functions transferred, the
11 director of financial management shall make a determination as to the
12 proper allocation and certify the same to the state agencies concerned.

13 (3) All employees of the higher education coordinating board
14 engaged in performing the powers, functions, and duties transferred are
15 transferred to the jurisdiction of the office of student financial
16 assistance. All employees classified under chapter 41.06 RCW, the
17 state civil service law, are assigned to the office of student
18 financial assistance to perform their usual duties upon the same terms
19 as formerly, without any loss of rights, subject to any action that may
20 be appropriate thereafter in accordance with the laws and rules
21 governing state civil service.

22 (4) All rules and all pending business before the higher education
23 coordinating board pertaining to the powers, functions, and duties
24 transferred shall be continued and acted upon by the office of student
25 financial assistance. All existing contracts and obligations shall
26 remain in full force and shall be performed by the office of student
27 financial assistance.

28 (5) The transfer of the powers, duties, functions, and personnel of
29 the higher education coordinating board shall not affect the validity
30 of any act performed before the effective date of this section.

31 (6) If apportionments of budgeted funds are required because of the
32 transfers directed by this section, the director of financial
33 management shall certify the apportionments to the agencies affected,
34 the state auditor, and the state treasurer. Each of these shall make
35 the appropriate transfer and adjustments in funds and appropriation
36 accounts and equipment records in accordance with the certification.

37 (7) All classified employees of the higher education coordinating
38 board assigned to the office of student financial assistance under this

1 *section whose positions are within an existing bargaining unit*
2 *description at the office of student financial assistance shall become*
3 *a part of the existing bargaining unit at the office of student*
4 *financial assistance and shall be considered an appropriate inclusion*
5 *or modification of the existing bargaining unit under the provisions of*
6 *chapter 41.80 RCW.*

**Sec. 246 was vetoed. See message at end of chapter.*

7 **PART II**

8 **COUNCIL FOR HIGHER EDUCATION**

9 NEW SECTION. **Sec. 301.** On July 1, 2012, the higher education
10 coordinating board is abolished and the council for higher education is
11 created subject to the recommendations of the higher education steering
12 committee established in section 302, chapter ..., Laws of 2011 1st sp.
13 sess. (section 302 of this act) and implementing legislation enacted by
14 the 2012 legislature.

15 NEW SECTION. **Sec. 302.** (1) The higher education steering
16 committee is created.

17 (2) Members of the steering committee include: The governor or the
18 governor's designee, who shall chair the committee; two members from
19 the house of representatives, with one from each of the two major
20 caucuses, appointed by the speaker of the house of representatives; two
21 members from the senate, with one appointed from each of the two major
22 caucuses, appointed by the president of the senate; an equal
23 representation from the key sectors of the higher education system in
24 the state; and at least two members representing the public as
25 appointed by the governor.

26 (3) The steering committee shall review coordination, planning, and
27 communication for higher education in the state and establish the
28 purpose and functions of the council for higher education.
29 Specifically, the steering committee shall consider options for the
30 following:

31 (a) Creating an effective and efficient higher education system and
32 coordinating key sectors including through the P-20 system;

33 (b) Improving the coordination of institutions of higher education
34 and sectors with specific attention to strategic planning, system
35 design, and transfer and articulation;

1 (c) Improving structures and functions related to administration
2 and regulation of the state's higher education institutions and
3 programs, including but not limited to financial aid, the advanced
4 college tuition payment program, federal grant administration, new
5 degree program approval, authorization to offer degrees in the state,
6 reporting performance data, and minimum admission standards; and

7 (d) The composition and mission of the council for higher
8 education.

9 (4) The steering committee shall consider input from higher
10 education stakeholders, including but not limited to the higher
11 education coordinating board, the state board for community and
12 technical colleges, the community and technical colleges system,
13 private, nonprofit baccalaureate degree-granting institutions, the
14 office of the superintendent of public instruction, the workforce
15 training and education coordinating board, the four-year institutions
16 of higher education, students, faculty, business and labor
17 organizations, and members of the public.

18 (5) Staff support for the steering committee must be provided by
19 the office of financial management.

20 (6) The steering committee shall report its findings and
21 recommendations, including proposed legislation, to the governor and
22 appropriate committees of the legislature by December 1, 2011.

23 (7) This section expires July 1, 2012.

24 **PART III**

25 **MISCELLANEOUS PROVISIONS**

26 NEW SECTION. **Sec. 401.** Section 301 of this act constitutes a new
27 chapter in Title 28B RCW.

28 NEW SECTION. **Sec. 402.** Sections 220 through 225 of this act
29 expire June 30, 2013.

30 NEW SECTION. **Sec. 403.** Sections 101 through 103, 106 through 202,
31 204 through 244, and 301 of this act take effect July 1, 2012.

32 NEW SECTION. **Sec. 404.** Section 302 of this act is necessary for

1 the immediate preservation of the public peace, health, or safety, or
2 support of the state government and its existing public institutions,
3 and takes effect July 1, 2011.

Passed by the Senate May 22, 2011.

Passed by the House May 21, 2011.

Approved by the Governor June 6, 2011, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State June 7, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 246,
Engrossed Second Substitute Senate Bill 5182 entitled:

"AN ACT Relating to establishing the office of student financial
assistance by eliminating the higher education coordinating board and
transferring its functions to various entities."

Section 246 transfers powers, duties and functions of the higher
education coordinating board pertaining to student financial
assistance to the new office of student financial assistance. Due to
a technical bill drafting error, the effective date of the transfer of
powers would occur prior to the creation of the new office of student
financial assistance on July 1, 2012.

For this reason, I am vetoing Section 246. The new higher education
steering committee will make recommendations concerning higher
education governance prior to the 2012 legislative session. I expect
the committee to consider the transfers of authority set forth in
Section 246 and recommend any statutory changes necessary in the 2012
session to successfully achieve the appropriate transfers.

For these reasons, I have vetoed Section 246 of Engrossed Second
Substitute Senate Bill 5182.

With the exception of Section 246, Engrossed Second Substitute Senate
Bill 5182 is approved."